

The **NATIONAL UNDERWRITER**



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The North America national advertising for February cites the case of an insurance broker who saved his client money by recommending consultation with North America's "White Fireman."

The client, a hospital board of trustees, was about to begin construction of a new \$350,000 building. From collaboration of the White Fireman with the architect came certain safety measures that not only made the hospital safer against fire, but also brought a lower rating and a 25% reduction in its fire insurance costs.

See our full-page advertisement in the
February 26th issue of Life Magazine.

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA

and the

INDEMNITY INSURANCE CO., of NORTH AMERICA

Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$71,000,000

THURSDAY, FEBRUARY 22, 1940



YOU need a company that knows how to put everything on the ball. Tomorrow you may need help in analyzing a particularly complex risk. Next week along may come an opportunity to tackle an inland marine line that wanders across the continent, promises a real premium, and calls for fast footwork by fieldman and head office alike. Perhaps right now you're thinking about an advertising plan that needs a professional touch. Maybe you'll need, right soon, the service of a nationwide brokerage department on a client's stocks or properties all over the land.



Your business will profit by the help of *your* NF Group Counselor. Whatever the problem, he's probably met it somewhere before. Call him in today.



Surely you need full facilities for writing variety and volume in fire, allied, automobile and inland marine lines.

What's more, you don't want these by mail order. You want a man who knows the answers to come in, sit down at your desk, and talk sense without having to refer every last little detail back to somebody else. You want, in other words, a crack fieldman with a crack company behind him.

Only a champion can roll ten strikes regularly. String along with a champion!

THE NATIONAL FIRE GROUP

**NATIONAL FIRE INSURANCE COMPANY OF HARTFORD — TRANSCONTINENTAL INSURANCE COMPANY
MECHANICS & TRADERS INSURANCE COMPANY — FRANKLIN NATIONAL INSURANCE COMPANY of NEW YORK**

Home and Administrative Offices: 95 Pearl Street, Hartford, Connecticut

Western Department: 175 West Jackson Boulevard, Chicago — Pacific Department: 234 Bush Street, San Francisco

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C. A. DOSDALL, Secretary

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H. T. DRAKE, JR., Secretary

R. H. BANCROFT, Assistant Secretary

December 31, 1939

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

ST. PAUL, MINNESOTA

Incorporated 1865

Seventy-fifth Annual Statement

ASSETS		LIABILITIES	
Bonds	\$22,061,896.63	Reserve for Unearned Premiums	\$9,934,628.57
Stocks	12,813,073.32	Reserve for Unadjusted Losses	1,594,781.61
Home Office and Other Real Estate	1,200,201.52	Reserve for Taxes and Expenses	740,000.00
Mortgage Loans	1,127,822.58	Other Liabilities	299,638.20
Collateral Loans	294,000.00	Conflagration Reserve	675,000.00
Cash and Bank Deposits	2,414,835.65	Capital Stock	\$10,000,000.00
Agents' Balances, not over 90 days	2,354,470.14	Surplus	19,466,500.07
Due from Re-insurance Co.'s Notes, etc.	237,324.37	Surplus to Policyholders	29,466,500.07
Accrued Interest	206,924.24		
	\$42,710,548.45		\$42,710,548.45

Securities carried at \$2,102,151.90 in the above statement are deposited for purposes required by law.
On the basis of December 31, 1939, market quotations for all bonds and stocks owned, this Company's surplus would be increased by \$970,163.61.

MERCURY INSURANCE COMPANY

ST. PAUL, MINNESOTA

Incorporated 1925

Fifteenth Annual Statement

ASSETS		LIABILITIES	
Bonds	\$5,096,665.66	Reserve for Unearned Premiums	\$2,018,457.58
Stocks	82,200.00	Reserve for Losses	149,510.41
Real Estate	33,000.00	Reserve for Taxes	76,220.00
Mortgage Loans	256,750.00	Reserve for Contingent Comms., etc.	20,500.00
Cash and Bank Deposits	225,771.98	Reserve for Loss Adjustment Expense	12,500.00
Agents' Balances, not over 90 days	283,394.21	Funds held under Re-insurance Treaties	15,096.31
Due from Re-insurance Co.'s Notes, etc.	29,466.50	Capital	\$1,000,000.00
Accrued Interest	45,526.50	Surplus	2,760,490.55
	\$6,052,774.85		\$6,052,774.85

Securities carried at \$488,241.60 in the above statement are deposited for purposes required by law.
On the basis of December 31, 1939, market quotations for all bonds and stocks owned, this Company's surplus would be increased by \$411,933.94.

ST. PAUL-MERCURY INDEMNITY COMPANY

ST. PAUL, MINNESOTA

Incorporated 1926

Fourteenth Annual Statement

ASSETS		LIABILITIES	
Bonds	\$ 9,556,054.10	Reserve for Unearned Premiums	\$ 3,393,477.34
Stocks	396,303.00	Reserve for Losses and Expenses	3,164,444.33
Mortgage Loans	25,000.00	Reserve for Unknown and Unreported Losses	500,000.00
Cash and Bank Deposits	470,740.70	Reserve for Taxes	265,000.00
Premiums in course of collection, not over 90 days	1,589,235.87	Reserve for Unpaid Commissions, etc.	372,051.75
Due from Re-insurance Companies	38,567.27	Capital Stock	\$1,000,000.00
Accrued Interest	86,971.13	Surplus	3,467,898.65
	\$12,162,872.07		\$12,162,872.07

Securities carried at \$1,157,920.10 in the above statement are deposited for purposes required by law.
On the basis of December 31, 1939, market quotations for all bonds and stocks owned, this Company's surplus would be increased by \$272,480.41.

HOME OFFICES

ST. PAUL, MINNESOTA

THE American Insurance Group

Newark



New Jersey

adds another year to a long and honorable succession. Sound and progressive policies of operation implemented by loyal and competent agents are reflected not alone in increased premiums, reserves, surplus and assets, but in the prestige fostered by a recognition of broad public policy and services above and beyond the obligations of their contracts.



Financial Statements December 31, 1939

Admitted Assets

	American	Bankers	Columbia	Dixie
United States Government Bonds..	\$ 5,467,520.51	\$2,191,190.08	\$ 964,237.84	\$ 617,352.10
Other Bonds and Stocks.....	15,128,262.10†	2,398,312.84	1,659,951.71	809,717.37
Real Estate (Company occupied)...	3,138,750.79	0	52,901.54	280,000.00
Real Estate (All other).....	791,136.24	111,178.39	0	36,494.56
First Mortgages				
(Insured by F.H.A.).....	807,651.92	453,486.25	0	0
First Mortgages (Other).....	805,981.10	242,377.94	2,750.00	13,098.89
Cash in Banks and on Hand.....	2,692,100.53	805,914.87	179,520.19	173,672.81
Premiums in course of collection				
(Not over 3 months due).....	1,726,353.66	1,191,675.00	156,896.78	170,958.52
Other Admitted Assets.....	175,066.57	45,590.95	31,022.48	9,035.65
	\$30,732,823.42(a)	\$7,439,726.32(b)	\$3,047,280.54(c)	\$2,110,329.90(d)

Liabilities

Reserve for Unearned Premiums..	\$12,464,817.54	\$2,137,374.00	\$ 528,282.51	\$ 263,517.68
Reserve for Losses.....	2,051,379.62	2,866,412.00	49,900.62	24,389.81
Reserve for Taxes.....	470,000.00	99,859.94	21,000.00	12,500.00
Reserve for all other Liabilities...	748,388.34	274,112.27	5,943.55	2,574.41
Voluntary Reserve.....	300,000.00*	561,968.11	0	0
Capital.....	3,343,740.00	800,000.00	1,000,000.00	1,000,000.00
Surplus.....	11,354,497.92	700,000.00	1,442,153.86	807,348.00
	\$30,732,823.42	\$7,439,726.32	\$3,047,280.54	\$2,110,329.90

* Special Reserve Fund.

† Includes stock of other Insurance Companies valued at \$6,311,088.72.

(a) Securities carried at \$467,977.61 in the above statement are deposited as required by law.

(b) Securities carried at \$398,801.25 in the above statement are deposited as required by law.

(c) Securities carried at \$265,569.36 in the above statement are deposited as required by law.

(d) Securities carried at \$322,533.66 in the above statement are deposited as required by law.

FIRE WESTERN DEPARTMENT

Frederick W. Doremus
Manager

Rockford

Illinois

THE American Insurance Group

Newark



New Jersey

THE AMERICAN INSURANCE COMPANY THE JERSEY FIRE UNDERWRITERS
THE COLUMBIA FIRE INSURANCE COMPANY DIXIE FIRE INSURANCE COMPANY
BANKERS INDEMNITY INSURANCE COMPANY

CASUALTY WESTERN DEPARTMENT

John B. Munson, Vice Pres.
Insurance Exchange Bldg.

Chicago

Illinois

The NATIONAL UNDERWRITER

Forty-fourth Year—No. 8

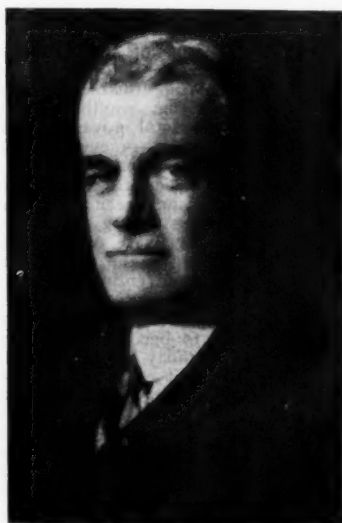
CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEB. 22, 1940

\$4.00 Year, 20 Cents a Copy

President Bissell of Hartford Fire Comments on Report

Observations Are Made on Some of the Chief Features

R. M. Bissell, president Hartford Fire and chairman Hartford Accident in his report to stockholders, states that while the dreadful and seemingly unnecessary foreign war has completely demoralized the situation abroad, it has had some real repercussions in this country. Some industries seem to have been benefited by orders but he cannot find any favorable effect from the existence of a state of war so far as the fire insurance busi-



RICHARD M. BISSELL

ness is concerned. By order of the New York department, the two companies have been compelled to mark down in the amount of \$354,995 Canadian securities owned because of the effect of the war on their value. Companies operating in Canada are forced to hold such securities in order to be permitted to do business there.

Little Gain in Premiums

President Bissell declared that there was a slight gain in premium income for the Hartford Fire due to the allied lines. On the basis of actual transactions there has been very little change in the loss ratio. The tornado branch has suffered, largely because it was impossible to adjust and pay a great many of the losses incurred in the New England hurricane of September 1938, and about \$250,000 of windstorm losses were paid in 1939.

President Bissell said that the ex-

(CONTINUED ON PAGE 16)

Southern Illinois Agents Forum Big Success

By WILLIAM A. SCANLON

With over 200 in attendance, the Region 6 Institute of the Illinois Association of Insurance Agents at Belleville last Thursday scored a resounding hit. The 12 hour program was jammed with educational features, with the problems created by the new Illinois trucking act stealing the headlines and arousing an animated discussion in which almost everybody participated. The high plane of interest was a tribute to the planning and organizing ability of R. C. Niemeyer, Belleville, regional vice-president, and D. F. Giberson, Alton, executive vice-president of the Illinois association.

Morning and afternoon sessions at the Elks Club were devoted to talks on coverages and salesmanship. The noon hour was given over to eight luncheon forums at which a variety of subjects were discussed, the leaders in some cases being program speakers. At the banquet which concluded the institute, Lawrence McDaniel, city excise commissioner of St. Louis, gave an address on "The Land We Live In."

Short Course Described

At the morning session, with Mr. Niemeyer in the chair, W. H. Jennings, Jr., Rockford, chairman of board Illinois association, outlined the short course which will be given in cooperation with the University of Illinois at Urbana, March 28-30. This is the first such course to be given in Illinois and Mr. Jennings told of the success of other associations along these lines, notably the Florida association, which has had over 600 registered for its courses, and promised the members that every one would find something of interest in the course. Non-members are welcome, he said. Other speakers at the morning gathering were R. K. Lake, Chicago, who spoke on "Why Sell Accident Insurance, from the Agent's Viewpoint"; Oscar Beling, New York, agency systems department, Royal-Liverpool group, whose subject was "Solving the Problems of Office Management," and Wallace Rodgers, Chicago, Western Underwriters Association, who spoke on "Consumer Cooperatives."

At the afternoon session, over which Mr. Giberson presided, William Schmale and W. L. Voellinger, Belleville, presented a skit entitled "Irresistible Selling"; L. E. Morris, Collinsville, discussed "Pertinent Pointers for Insurance Sellers"; R. W. Bugli, New York, advertising manager London Assurance, spoke on "Public Relations—a Vital Challenge"; Rueben Cohn, Springfield, of the state division of motor carriers, and Oliver Fields, of the insurance section of this division, conducted a discussion of the Illinois truck regulatory act.

Mr. Lake, who has made a notable record in accident production for W. A. Alexander & Co., said that accident insurance is fully as important to the average man as life insurance. "Financially speaking," he said, "how much more difficult it is for a family to be left with the breadwinner disabled and no

income, than for the breadwinner to be taken out of the picture entirely, in which case the family receives his life insurance. His disability means not only loss of income, so that the family has to take care of itself and him too, but also added expenses such as always are associated with injuries. In other words, I say to many men: 'Don't spend so much money on the carrying of life insurance that you cannot afford to protect the thing that pays for it.' I urge the man to set up a proper balance in the carrying of his various lines of insurance."

In referring to the cheaper forms of accident insurance, such as newspaper policies, etc., he said the prospect does not have a measuring stick to go by, enabling him to tell what \$1 or \$3 should buy in the way of accident insurance merchandise, and therefore is not aware that the cheaper policy "is just a necktie to real insurance." While admitting that some good comes from the cheaper policies, he said they keep many people from buying a real policy, "at least until some insurance man comes along and in an intelligent sort of manner sets up the proper explanation."

Income Cover Important

He emphasized the need for income protection, as against hospitalization and medical forms, and characterized the medical coverage as the spare tire and not the automobile itself.

He stressed the possibilities in the sale of accident insurance to business women and said that more than 20 percent of his sales in the past few years have been in that field. In connection with the possibility of securing new business from the payment of claims, he said that among business women particularly, the payment of a claim almost always means a policy or two from other business women in her office or from a relative or friend. He spoke of development of other lines of the business through sales of accident insurance and said that through the sale of a \$21.50 accident premium he has developed over the past five years, directly and indirectly, an account exceeding \$15,000 in multiple annual premiums.

OFFICE PROBLEMS

Mr. Beling, who is probably the most successful speaker on insurance office methods in the country, said that the established desirability of surveys emphasizes the necessity for proper record keeping, because a survey cannot be prepared expeditiously unless accurate and ample records are available. He said that an adequate set of line records, indicating the business written for every customer, should form the nucleus for all production activities. In the majority of offices, an agent must be his own sales manager and Mr. Beling said that no matter how small the office, there should be an organized plan of selling

(CONTINUED ON PAGE 34)

Pittsburgh Day Again Is Sparkling Event

Ten Hours of Varied Program Events Presented —Banquet Crowd 1,230

By LEVERING CARTWRIGHT

With a banquet attendance of 1,230, with a turnout for the luncheon of about 950, with dozens of head office executives present and with subsidiary meetings in the morning and afternoon drawing to capacity of the meeting rooms, the observance of Pittsburgh Insurance Day again went off in superlative style and was a triumph for the local people who point to this event from one year to the next. This was



C. H. BOKMAN

the 14th running of Pittsburgh Insurance Day. Pretty much the same group of leaders has been in charge of arrangements for some time. They learn from experience and the record each year surpasses that of the previous year.

Every element in the business in Pittsburgh, except life, supports the observance whole heartedly. A program pattern has now been pretty well crystallized that provides something of interest for each element of the business as well as something of general interest to all.

In the morning for about two hours, there were five sessions being conducted at one time. One was for the fire and marine group, another accident and health, another casualty claims, another casualty and the fifth surety. Each of these meetings was attended by

(CONTINUED ON PAGE 16)

Overflow Attendance at Michigan Agents School

A registration of over 300, with more agents in attendance than at the annual meeting, and enthusiasm from start to finish was the reception given the insurance short course which served as the mid-year meeting of the Michigan Association of Insurance Agents at Lansing last week. The climax was capped when, after two days crammed with intensive discussions of all fire, casualty and surety lines, over 100 agents and agency employees remained voluntarily to take a written examination in the subjects discussed. Cash prizes for the best papers will be awarded when the test papers have been corrected, a procedure likely to take a month in view of the large number.

In addition to giving a hearty endorsement to this first experimental step in a year-long educational program mapped for the association by W. O. Hildebrand, secretary-manager, and the officers, the agents heard a condemnation by Insurance Commissioner J. G. Emery of the current TNEC investigation of insurance companies and adopted a resolution urging immediate action by the National Association of Insurance Agents on the threatened loss of HOLC business. Some routine business was transacted and several speakers, other than instructors in the short course, provided stimulating ideas, among them M. D. VanWagoner, state highway commissioner, who discussed the traffic safety problem and praised the companies for their accident prevention work.

Officers Elated

President W. A. Doyle, Highland Park, and Mr. Hildebrand expressed great satisfaction at the reception given the educational program, admitting that they had shared misgivings for a time as to whether the members would accept the substitution of study for the usual program of speeches and discussions at the mid-year session. They now are confident that similar short courses planned for the various zones and a mail course will create equal interest.

Commissioner Emery who, at the outset of the meeting, had issued a statement giving hearty endorsement to the educational program which is based on questions prepared by the department for use in conducting examinations under the agents' qualifications law, appeared as a banquet speaker. He said he expected agents would stand solidly together to repulse any assault on the companies from federal government sources as hinted by the TNEC inquiry, a development that he called a "frontal attack" which may mask a more serious undermining effort later. Mr. Emery expressed belief that the probers have been motivated largely by envy of the vast resources of the big insurance carriers and of their immensely successful management of the assets under their control. The agents, he pointed out, are dealing with a clientele that represents the cream of American citizenry, those who are buying their own social security but who have been unfairly taxed and penalized for what he characterized as "reckless thriving."

HOLC Resolution

The resolution on the HOLC situation cited the recent inclusion of a so-called "tax and insurance agreement" in refinanced loans, permitting the placing of insurance by the lending agency. It was cited as significant that a similar agreement has been obtained from some borrowers whose loans are in good standing. With termination of agreements with the stock and mutual associations and the asking of bids by the HOLC for coverage on these properties on a nationwide basis, the agents viewed the situation as perilous since "it is reported that these bids may be discriminatory." The resolution stated disbelief

that hazards on HOLC properties are "any less than those of any other property of the class" and it was stated that "realizing that this situation is national in scope" the Michigan agents "do most urgently request the National association . . . to do all in its power to preserve this business for all American agents and for insurance companies, to guarantee the owners of property the privilege of buying their insurance from agencies and companies of their choice." Cooperation in bringing this situation to a satisfactory conclusion was further pledged to the National association.

Dr. W. D. Henderson, director emeritus of the University of Michigan extension service, was in supervisory charge of the short course. He spoke briefly at the beginning of the educational sessions.

Study Fire Policy

Thursday afternoon was devoted to a fire insurance symposium, conducted by three Detroit special agents, P. M. Britton, Fireman's Fund, C. C. Ippenplatz, Crum & Forster, and C. L. Zook, National of Hartford. They led a line by line discussion of the Michigan standard fire policy and the usual forms, emphasizing the questions asked in state examinations. The session closed with a discussion of insurance laws affecting an agent by S. R. Burwell, Lansing, superintendent insurance department licensing division.

Casualty insurance occupied the Friday morning session. H. P. Reinhold, Detroit, special representative U. S. F. & G., who is casualty insurance instructor at Wayne University, gave an exhaustive survey of the fundamentals of legal liability and the consequent need for insurance. He also discussed a number of general public liability contracts and the methods of covering various risks completely.

Developments in Auto Lines

Speaking on automobile liability insurance, James C. O'Connor, Chicago, editor, "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, reviewed and analyzed the developments in this line during the past year, particularly the revision of the standard automobile liability and garage liability policies. A number of questions on various aspects of the policy coverage were put from the floor and the session was adjourned for lunch with difficulty.

Prior to the examination that afternoon fidelity and judicial bonds were discussed by H. C. Megrew, Detroit, assistant manager Fidelity & Deposit; Thomas Eggleston, Detroit, superintendent bond department Aetna Casualty, and Walter H. Lewis, Lansing,

North America Has Withdrawn Action on the I. M. U. A.

PHILADELPHIA—It is announced by the North America that its resignation tendered the Inland Marine Underwriters Association has been withdrawn through the good offices of Vice president L. C. Lewis. Mr. Lewis met with a group of company officials who were vitally interested in the welfare of the business as a whole and reviewed all phases of the situation, looking to a constructive solution of the problems confronting the body.

Mr. Lewis expresses the hope that with the withdrawal of this resignation all other members will now cooperate, get behind the I.M.U.A. and attempt to make effective constructive solution of the problems which have heretofore caused very strong differences of opinion.

It was predicted that if the resignation of the North America stood, following that of the Fireman's Fund, the future of the I.M.U.A. would be vitally imperiled. Mr. Lewis presented the complaint of his organization very frankly and promised to use his utmost endeavor to bring about a better feeling in the association.

vice-president Michigan Surety. Typical questions were: "What is the difference between a fidelity schedule bond and a blanket position bond?" "What coverage is afforded under a bankers blanket bond?" "In what manner is a fiduciary bond canceled?" "What is the duty of an agent when surety requires exercise of joint control over funds and depositable assets of an estate or trust?"

Doyle Sounds Keynote

Committee reports were given during the first morning's business session, Mr. Doyle noting that while "never before has the whole state been so alert to the dangers that beset the insurance business" there are "great and far-reaching movements afoot that may seriously retard progress of the American agency system" and "the whole field is more competitive than I have ever seen it in my 30 years experience." He cited the HOLC situation and the fact that the "FHA is assuming a very restrictive attitude in the placing of insurance on properties it controls."

Greater unity of purpose on the part of companies and agents was viewed as encouraging, however, by Mr. Doyle who said that "sane thinking and the conscientious efforts of conference committees" have brought "helpful understanding" and companies and agents are now "seeing eye to eye the evils that beset the business and are jointly endeavoring to do something about it."

(CONTINUED ON PAGE 18)

Says TNEC Probe Wandered from Initial Purpose

O. J. Arnold Sees It Now as "Petty Quarrel"—Would Concentrate on Objectives

Many real issues at stake in the TNEC probe of life insurance have been sidetracked and the inquiry, as indicated by public utterances has tended toward a "petty quarrel," O. J. Arnold, president Northwestern National Life, declared in an address at the annual meeting of the Insurance Federation of Illinois in Chicago Tuesday. He pointed out that evidence on several vital questions was not considered by TNEC, and urged fulfillment of the original objectives of the investigation—"a thoroughgoing study of the bearing of life insurance on the American system of economy."

Far from wishing to suppress information in the investigation, he said, the life companies' major fear is that the committee will not get all the facts it needs in presenting conclusions to Congress. The stated purpose of the investigation was to determine whether the large funds entrusted to insurance companies were being so used as to form a menacing concentration of economic power. If such misuse of power were discovered, the implication would be the need for federal supervision.

Proved Life Insurance Is Big

"The implications of the testimony before the committee," Mr. Arnold said, "have run about like this: Life insurance is big—very big. Anything so big must need the federal government to control it or police it—or even compete with it."

"Yet," he continued, "the evidence introduced thus far has been wholly inadequate for understanding either what has made insurance safe or what has made insurance grow; the evidence introduced has ignored entirely the facts of the nature of insurance itself and the facts of state supervision which has enabled insurance to become the fortress of strength it is today."

"Not one whit of evidence has been introduced showing how insurance has attained bigness. The fact is it has grown big by performing a sound and sensible service to the American investor; it has grown entirely without controlling patents or licensing processes, without restraining competition and without vast mergers or holding company structures. Its growth has of necessity depended on doing an efficient job for the public."

Make No Showing of Domination

"Nothing has been shown in the investigation as to whether the trend of insurance is toward concentration of economic power and control of assets in a few hands."

"The fact is that insurance, far from seeking economic power or control over American business or finance, avoids ownership and ownership rights—and seeks only to make credit available when and where it is needed—to business or to government. And for the past 60 years there has been a consistent trend toward decentralization of assets both by companies and by geographic areas. "Insurance holds the bulk of its reserves for the benefit of its policyholders, and not for the benefit of managers or owners, except when the latter are the policyholders themselves."

"Does insurance grow in depressions when other forces of savings cease to

(CONTINUED ON PAGE 18)

THIS WEEK IN INSURANCE

Observance of **Pittsburgh Insurance Day** Monday is another triumph for the Pittsburgh leaders. **Page 3**

Much interest shown at regional meeting of **Illinois Association of Insurance Agents**. **Page 3**

President **R. M. Bissell** of the Hartford Fire comments on the operations of the year so far as that company is concerned. **Page 3**

Home Owners Loan Corporation declines to make known the names of the bidders for its insurance requirements and the particulars of the bids. **Page 5**

Premiums in the **American war risk insurance pool** now exceed by \$2,000,000 the losses paid. **Page 5**

TNEC probe of life insurance tends to petty quarrel, O. J. Arnold tells Illinois Insurance Federation, and urges its concentration on original worthy objectives. **Page 4**

Steps are taken to revamp the financial setup of **First Reinsurance of Hartford**. **Page 23**

Charles M. Kerr, president of Farmers Fire of York, Pa., died at the age of 73. **Page 20A**

The North America has withdrawn its resignation sent to the **Inland Marine Underwriters Association**. **Page 4**

Michigan Association of Insurance Agents mid-year short course attracts large and enthusiastic following. **Page 4**

John P. Keevers of Chicago, manager of the Maryland Casualty, has been elected president of the **Illinois Insurance Federation**. **Page 25**

Progress on **comprehensive liability** form reported by Gillet. **Page 20C**

State Farm group meets in Chicago. **Page 25**

Question and answer period during Pittsburgh Insurance Day evokes much interest. **Page 20C**

Plan devised to cover **temporary messengers** of stock brokerage houses. **Page 24**

Chicago Acquisition Cost Council now in process of organization. **Page 24**

The **Illinois Insurance Federation** at its annual meeting upholds state insurance supervision. **Page 20D**

Program is announced for the annual meeting of the **New Jersey Association of Underwriters**. **Page 40**

Fear Mass Attack on Shipping at Control Points

American War Risk Pool Now Ahead of Game By \$2,000,000

NEW YORK.—In view of the Altmark incident and the threat of the Germans to intensify their sea warfare, marine underwriters are apprehensive. Their greatest fear at present is that the Germans may send waves of planes to attack shipping at the so-called control points. At these points as many as 50 or 60 ships may be standing by at one time waiting for clearance from the British. It has been testified that it takes from 10 to 17 days to pass through these points. A successful air raid at a control point could accomplish millions of dollars of loss in short order.

Currently the American war risk reinsurance pool is well ahead of the game, with premiums exceeding losses at this point by about \$2,000,000. Nevertheless the hazard is so uncertain and the possibility of catastrophe so great that the marine people are not getting the utmost comfort from the present good showing. The results have improved greatly in the past few months. On Oct. 1, when the war had been in progress about a month, the losses of the pool exceeded the premiums by about \$1,500,000. However, that was due to the fact that a good part of the premiums were in course of collection and the amount realized exceeded the estimates.

Marine underwriters are interested in the fact that the Allies are utilizing old Greek tramp steamers and other hulls of very little value, presumably so that in the event of a loss the only value will be in cargo. These steamers present an unusual marine hazard, entirely aside from the matter of war risk. Penalties have been exacted in insurance rates on cargo in vessels of this type that run as high as \$1.45.

RATE CHANGES PROMULGATED

Changes in war risk rates were promulgated by marine underwriters effective Wednesday.

Paragraph (A) "North and Central America (Atlantic or Pacific Coasts)," etc., is changed to read "United States and Central America (Atlantic or Pacific Coasts)," etc., with no change in the rates.

Following Paragraph (D) Canada Atlantic and Newfoundland, the following new rates are added:

To and from South America Atlantic Coast south of Paramaribo or Pacific Coast south of Buenaventura, 30 cents percent by United States and Latin American flag; 45 cents percent by other neutral flags; 5/8 percent by belligerent flags.

Following paragraph (J) Canada Pacific, the following new rates are added:

To and from South America Atlantic Coast south of Paramaribo or Pacific Coast south of Buenaventura: 30 cents percent by United States and Latin American flag; 45 cents percent by other neutral flags; 5/8 percent by belligerent flags.

Egyptian Steamers Belligerents

The following notation is added to the schedule published Feb. 19:

"Shipments by Egyptian flag steamer 'State of Cairo' and other vessels flying the Egyptian flag shall be rated as if by a belligerent flag vessel."

To section 18 of the schedule (duty

Havoc Wrought by Albany Storm



Acme Newspictures.

These air views show the devastation wrought in the business district of Albany, Ga., by the storm which resulted in an estimated \$600,000 insurance loss and a \$1,750,000 property loss. In the bottom picture the cash registers remained intact, although the building and stock were demolished.

Insurance interests involved in the Albany tornado are commending highly the services rendered by the southeastern department of the Fire Companies Adjustment Bureau at Atlanta, and Paul Douglass, adjuster in charge at Albany. Although Mr. Douglass' office was wrecked in the tornado, he prepared and forwarded to the Atlanta office, 12 hours after the storm struck, probably the most comprehensive survey ever made of any such disaster. He accompanied it with a graph showing the route of the storm which, with the report, al-

most brought the picture of the tornado before one's eyes.

Large assured, with their building and contents values, follow, losses being estimated at 50 percent:

	Building	Contents
A. & P. Store	\$25,000	\$20,000
Elks Club	25,000	5,000
Georgia Cigar & Tob. Co.	5,000	25,000
Rosenberg Brothers	20,000	15,000
Albany Exchange Nat. Bank	10,000	.....
Albany Hdw. & Mill Supply Co.	20,000	20,000
Yancy Tractor Co.	20,000	5,000
Sears, Roebuck & Co.	40,000	40,000
Albany Trust & Banking Co.	35,000	50,000
Hoffmayer Dry Goods Co.	50,000	5,000
S. H. Kress & Co.	5,000	15,000
Consol. Pecan Sales Co. ....	.....	5,000
Hotel Gordon	25,000	5,000
Court House	25,000	5,000
New Albany Hotel	10,000	5,000
Henry Blinn Hotel	7,500	3,000
Lane's Drug Store	2,000	2,000
Americus Grocery Co.	1,000	5,000
St. Nicholas Hotel	25,000	25,000

and collect freight) are added the following words:

"Where S. R. & C. C. only is covered the premium thereon shall be 100 percent of the S. R. & C. C. Cargo rate, applied to the amount insured on each of these interests."

Western Factory Reelected C. H. Smith as President

Charles H. Smith of Smith & Wheeler, western managers of Hartford Fire, was reelected president of the Western Factory at its annual dinner meeting in Chicago. S. M. Buck, vice-

president of Great American, was elected vice-president replacing W. H. Riker, who has retired from the business. John C. Harding, executive vice-president Springfield F. & M., was reelected secretary. A. F. Powrie, manager of Fire Association, was elected to the executive committee replacing Mr. Buck, and George H. Bell was reelected to the committee.

The dinner was attended by about 75. Harry L. Grider, general manager, gave his report. The Factory Association of Hartford was represented by Manager H. P. Smith and F. M. Blake, vice-president Phoenix of Hartford, and chairman of the executive committee of F.I.A.

HOLC Withholds Information on Insurance Bids

Refers Proposals to "Experts"; 29 Bids Received for Big Contract

WASHINGTON—The 29 insurance bids opened by the Home Owners Loan Corporation Feb. 15 have been turned over to the HOLC's consultants, E. Adrian Teaf of Philadelphia and J. O. Cobb of Durham, N. C., for study. They will go over the proposals, getting additional information from bidders where language is ambiguous and then present their report to the Federal Home Loan Bank Board, giving the pros and cons of each proposal but without recommending any individual plan. It will probably be at least a week before the board gets this report.

The board, which has five members, will then go over these proposals as outlined and analyzed by its consultants, and then decide which one offers the best basis for a final plan. Unless the board decides to reveal the contents of the various proposals when Teaf and Cobb submit their report, it will probably be several weeks before there will be any official information available on what the bids contained.

Lay Down Broad Outlines

Since so many complexities arise under any plan, the proposals can lay down only the broad outlines of each bidder's suggestion. Consequently, while the board hopes to obtain out of the 29 bids a single scheme that looks acceptable in its entirety, final acceptance of whatever plan the board tentatively decides on will depend on conferences with the successful bidder to iron out various details. It is conceivable that the winning plan might be thrown out if these details could not be worked out satisfactorily. This would mean opening up bidding again, despite the board's urgent wish to wind things up on the basis of some one of the present bids.

As an agency of the government the HOLC is mindful of its obligations not only to its mortgagors and itself but to the public, including the insurance agents. There is no disposition to crucify the agency system. The main objective is to eliminate the costly procedure which the HOLC felt was being forced on it by the plan previously in effect.

Teaf Mutual, Cobb Stock

Mr. Teaf is a Philadelphia broker recommended to the board as an expert by the University of Pennsylvania. He handles both stock and mutual insurance but mainly mutual. Mr. Cobb is an agent representing stock companies. He was suggested to the board by stock company interests.

COMMUNICATIONS FROM MUTUALS

In addition to its bid, the mutual group sent to Ormond Loomis of the HOLC a communication, giving its ideas in general. The mutual companies suggest that the HOLC permit the mortgagee to handle his own insurance. Under the HOLC procedure as it stands today, the mutuals state, the corporation will place the insurance not only on the property that it owns but on practically all of those on which it holds mortgages. In 1941 it is estimated that about 500,000 dwellings will be in the mortgage loan classification. Under the plan, the owners of the dwellings, because the HOLC is the mortgagee,

(CONTINUED ON PAGE 10)

FIGURES FROM DEC. 31, 1939 STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dept.	Surplus	Changes in Surplus	Net Prem.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
American Alliance	8,334,181	+148,208	1,909,763	-13,555	3,000,000	3,513,925	+47,490	1,808,901	762,990	42.1
American Central	7,287,513	-187,940	2,309,240	-21,897	1,000,000	3,656,730	-108,230	2,129,395	964,311	45.2
American National	1,150,893	+26,042	.....	.....	500,000	645,303	+26,042	.....	.....	.....
American, Tex.	495,665	+34,361	77,356	+28,644	200,000	202,677	+1,821	94,283	32,870	34.9
American Indemnity	4,236,359	+315,959	1,093,319	+68,103	1,000,000	675,000	+75,000	2,016,544	806,674	40.0
Anchor	2,658,148	+40,408	598,436	+36,390	1,000,000	906,023	+8,564	684,202	298,135	43.2
Associated F. & M.	548,578	+22,155	34,093	+8,725	250,000	257,292	+14,667	64,001	15,501	21.0
Bankers & Shippers	7,228,837	+311,205	3,574,711	+827,715	1,000,000	2,170,526	+11,009	4,275,283	1,775,684	41.5
Bankers F. & M., Ala.	491,948	+14,833	8,202	+5,438	275,702	100,000	.....	12,975	3,239	.....
Birmingham Fire, Pa.	1,396,529	-1,047	163,235	+3,300	500,000	693,469	+4,135	192,851	97,837	50.7
British General	1,296,789	-42,345	397,025	-2,513	400,000	435,785	-33,204	371,841	168,262	45.2
Buckeye Union F.	608,035	+56,619	149,994	+82,320	200,000	250,291	-24,935	149,376	23,073	15.4
Camden Fire	13,432,620	+654,222	5,807,891	+561,726	2,000,000	4,121,087	+8,972	6,421,220	2,731,110	42.5
Capital Fire, N. H.	466,011	+3,556	20,254	+3,092	200,000	228,265	+25,471	23,347	5,270	23.0
Central, Md.	4,265,539	+129,451	1,092,747	+7,357	1,000,000	1,938,631	+108,406	1,021,268	381,579	37.3
Citizens, N. J.	3,500,129	+195,895	375,065	+9,123	1,000,000	2,004,955	+183,013	398,821	153,649	38.5
Commerce	4,298,785	+128,800	1,553,482	+118,914	1,000,000	1,410,095	-83,121	1,545,994	629,885	40.7
Commercial Union, Eng.	12,679,625	+245,173	4,863,133	+13,553	400,000	6,140,940	+319,537	5,678,477	2,229,778	39.2
Commercial Union, N. Y.	2,888,084	-88,286	900,527	-4,201	1,000,000	836,334	-36,064	831,872	375,969	45.1
County Fire	2,111,950	-6,673	516,544	-2,551	1,000,000	801,247	+2,899	422,403	174,209	41.2
Detroit F. & M.	4,009,021	+47,792	827,848	-3,725	1,000,000	2,027,945	+75,064	785,166	326,424	41.5
Dubuque F. & M.	5,916,165	+250,188	3,177,475	+204,720	1,000,000	1,120,118	+16,376	3,412,712	1,476,474	43.2
Employers Fire, Mass.	6,100,259	+491,453	2,369,896	+260,383	1,000,000	1,750,000	.....	2,826,302	955,334	33.8
Fireman's Fund	42,134,785	+1,323,508	12,757,108	+65,750	7,500,000	16,356,502	+520,314	15,798,239	6,629,395	42.0
Glens Falls	19,378,812	+249,141	6,933,791	+149,506	2,500,000	7,324,229	-341,673	7,184,166	2,686,824	37.4
Granite State	4,386,882	+64,155	1,448,474	+74,460	1,000,000	1,731,204	-28,389	1,363,446	600,370	44.0
Great American	49,965,642	+1,321,801	13,146,880	-141,096	8,150,000	25,681,304	+842,672	12,722,589	5,473,635	43.0
Hartford Fire	116,032,221	+6,799,499	33,867,780	+931,809	12,000,000	56,776,267	+3,967,248	37,375,145	15,390,134	41.1
Home F. & M.	7,492,899	+475,773	2,634,445	+370,217	1,000,000	3,200,302	+38,746	2,997,722	1,075,579	35.9
Jersey	4,467,619	+52,605	1,978,878	+35,433	1,000,000	2,125,138	+23,152	2,309,759	1,066,013	46.1
Mass. F. & M.	2,705,242	+113,829	446,158	-1,014	1,000,000	1,170,231	+138,970	423,911	173,826	41.0
Natl. Reserve, Ia.	2,590,377	-77,024	1,358,623	+52,480	500,000	592,034	-4,141	1,400,807	684,517	48.8
National Union	16,692,818	+289,450	7,339,788	+24,370	1,100,000	5,609,852	+19,277	7,854,028	3,304,743	42.1
New England Fire	2,525,195	+15,560	364,022	+10,099	1,000,000	1,085,644	+42,255	375,937	163,471	43.5
New York Underwriters	8,755,098	+276,882	1,051,280	+28,473	2,000,000	5,223,788	+226,892	1,145,999	448,120	39.1
North Carolina Home	1,254,426	+62,486	.....	.....	500,000	739,936	+52,486	.....	.....	.....
Northern, N. Y.	12,247,828	+294,433	4,959,557	+165,313	1,000,000	5,453,997	+138,283	4,965,067	1,961,926	39.5
Northwestern National	15,071,616	-312,668	5,460,234	+105,155	2,000,000	5,415,507	-46,560	4,388,827	1,489,088	33.9
Occidental	4,648,076	+90,770	957,537	+133,751	1,000,000	2,411,725	-69,933	1,141,120	416,640	36.5
Palatine	3,140,304	-116,393	997,366	-15,750	400,000	1,536,387	-73,305	917,027	416,680	45.4
Penn.-Liberty	234,075	+10,835	30,129	+16,271	110,000	92,444	-2,965	28,911	3,254	11.3
Providence Washington	15,496,350	+561,086	4,596,157	+67,383	3,000,000	6,114,876	+424,965	5,974,334	2,517,269	42.1
Quaker City F. & M.	1,687,699	+108,280	342,127	+74,418	400,000	814,011	+9,531	531,647	210,869	39.6
Queen City Fire	181,676	+5,478	342,102	+13,564	100,000	36,098	-702	138,300	112,427	.....
Reliable Fire	1,480,025	+3,611	342,102	+13,564	250,000	851,516	-7,687	283,996	114,053	40.1
Rochester American	4,042,415	+193,915	827,848	-3,725	1,000,000	2,071,823	+205,418	785,166	326,424	41.5
Security, Ia.	2,050,509	-26,248	949,389	+15,590	500,000	510,196	-1,928	680,172	219,752	32.3
Security National, Tex.	939,597	+5,226	348,185	-1,876	250,000	307,859	+556	320,152	150,602	47.0
Sentinel	2,684,526	+55,284	364,022	+10,099	1,000,000	1,240,592	+74,395	376,743	163,771	43.5
Service, N. Y.	4,164,539	+2,629,495	1,299,381	.....	1,000,000	993,638	+460,053	2,024,986	344,887	17.0
Springfield F. & M.	35,005,894	+1,550,788	12,376,769	+343,297	5,000,000	14,919,180	+1,178,489	12,823,686	5,570,019	43.4
St. Louis F. & M.	777,393	+259,509	376,115	+295,397	212,500	130,524	+3,557	354,547	207,556	24.2
Union, Eng.	2,642,429	-193,750	1,024,230	-5,896	400,000	1,084,887	-92,712	941,437	428,123	45.4
Union, Ind.	1,095,076	+121,092	404,100	+40,452	200,000	110,315	+955	822,979	302,703	36.8

¹Bonds amortized. Stocks Convention.

²Bonds amortized. Stocks Convention.

³On actual market quotations December 31, 1939, for all bonds and stocks owned. Also after setting up conflagration reserve of \$165,000.

⁴Bonds and stocks valued at lowest of cost, market or current redemption prices. At market values the assets (and correspondingly the surplus) at January 1, 1940, would be \$1,032,734.26 greater.

⁵Bonds amortized; stocks market.

⁶Bonds and stocks at market

⁷Reinsured.

N. A. U. A. Calls for New Experience

The National Automobile Underwriters Association has called upon its member companies to furnish exhaustive figures on their experience for 1937, 1938 and 1939, divided as between finance and non-finance business. The deadline for compliance with the maximum commission rule of 30 percent upon finance business still stands at March 16.

Just what the purpose of the investigation of the automobile experience may be, is not generally known. One explanation is that the association is interested in determining whether it can be shown that the experience on finance business is definitely different from that on the non-finance business. If such result could be shown, the association might be in a better position to justify a request for a distinction in rates and treatment of finance and non-finance business. Most of the commissioners have ruled that such a classification in rate making will not be recognized.

It is understood that the association companies have put aside for the time being at least the idea of proposing a so-called net rate alternative plan for automobile finance accounts. This plan, as contemplated, would provide a lesser rate for finance business where some modifications were made in the policy and the rate to the broker would be 10 percent.

Alliance of the Chubb & Son group is becoming a factor to consider in New York state with its filing of 20 percent below manual on collision and 30 percent below on fire, theft and comprehensive, with 10 percent commission to the broker. This is the only filing of Alliance in New York, so that the question of discrimination does not arise.

Made Secretary



CLARENCE T. HUBBARD

One of the promotions at the head office of the Automobile is that of Assistant Secretary C. T. Hubbard, who is made secretary. Mr. Hubbard is well known because of his contributions to insurance literature and the addresses that he has made at insurance meetings. He is a versatile writer and a convincing speaker. In his talks he uses his sleight-of-hand practice to good extent in illustrating the points he sets forth.

That is the only basis upon which Alliance writes automobile business in New York state.

Houston F. & C. Is Getting Attention

Much interest is taken in the operations of Houston Fire & Casualty of Houston, Tex., in view of the fact that it was recently awarded the insurance contract of the Farm Security Administration and it is believed to have offered a bid for the Home Owners Loan Corporation account.

The present company is the outgrowth of an effort, which at the beginning, was a modest idea, on the part of the South Texas Cotton Oil Company to save insurance costs on their own operations. Shortly thereafter the company was taken over by the Wesson Company, manufacturers of cotton seed oil products. The insurance department went to the Wesson Company along with the other assets of the South Texas Cotton Oil and the expansion of the insurance activities took place following the merger.

The A. D. Langham Company of Houston formerly handled all the South Texas Cotton Oil business and they are now the Houston agents for Houston Fire & Casualty.

The officers of Houston Fire & Casualty are R. F. Crow, chairman; W. A. Sherman, president; F. W. Clark, Jr., vice-president, and John S. Keith, secretary. Mr. Crow and Mr. Sherman are both active major executives of the South Texas Cotton Oil Company (still operating under its old name), and Mr. Keith is the active administrative officer of the insurance company's office in Houston. Mr. Clark, a Wesson executive, appears to be the principal factor in Houston F. & C. He resides in New Orleans and makes frequent trips to Houston.

Houston Fire & Casualty is at pres-

Great American Brings W. A. Harvey Into Chicago Unit

W. A. Harvey, who for the past two years has been Wisconsin state agent of Great American, is being brought into the western department office in Chicago as an agency superintendent. Mr. Harvey has been an asset to his company in Wisconsin and previously in Iowa where he served as state agent for about 10 years. He started with Fidelity-Phenix in the survey department in Chicago, being inducted into the business by his then neighbor, the late Eloy Peterson. He advanced through various ranks with that company and went with Great American in 1927.

Succeeding Mr. Harvey as Wisconsin state agent is G. F. Risley, one of the veterans in the Wisconsin field, who has heretofore been special agent. Mr. Risley was for many years with the old Rochester Department of Great American, reporting directly to New York. The Rochester Department was later incorporated as Rochester American and its affairs were handled from Chicago. Mr. Risley then became identified with the entire group.

Mr. Risley will be assisted by Edward B. Moran, who has been in the Wisconsin field since early last year, and by Charles J. Jens, who has been in the engineering department of Great American in Chicago for some time. He was with the Leedom, O'Connor & Noyes Agency of Milwaukee previously. He graduated from Armour Institute of Technology.

The field headquarters of Great American in Milwaukee are at 828 North Broadway.

Mr. Risley's first experience in the business was in the Chicago office of Hartford Fire, after which he traveled in Wisconsin for that company until 1920, when he joined the Rochester Department of Great American, later the Rochester American, as field man in that state. In 1933 he became special agent for the entire Great American group in which capacity he has worked ever since.

Mr. Harvey started his insurance career in the Chicago office of Fidelity-Phenix. He then did special agency work for that company in Iowa, Missouri, Kansas and Minnesota and for several years prior to 1927 was state agent for Fidelity Phenix in Iowa. From 1927 until 1938, he was state agent of Great American in that state, when he was transferred to Wisconsin as state agent of Great American.

British Companies to Fulfill Overseas Contracts

NEW YORK — British insurance companies will fulfill all contracts made in other countries, it was announced by the British government through Angus Fletcher, director of the British Library of Insurance here. The announcement says: "The government of the United Kingdom desires to make it clear that the fullest arrangements have been made to enable British insurance companies to carry on overseas business without impediment and to meet claims by allied, neutral or British claimants under any policy in accordance with the terms of the policy, whether it be expressed in terms of sterling or in foreign currency."

Eagle Star Statement

The United States branch of Eagle Star at the end of 1939 had assets \$6,246,583, deposit capital \$400,000. Premium reserve was \$1,969,892, net surplus \$2,950,937. The gain in assets was \$318,569, and in surplus, \$88,695. H. C. Casper is the United States manager.

ent reinsuring most of its business with major companies in the east.



There's an old saying that a man's only argument against a cold, howling wind is to don his overcoat. That's a little protection for himself, perhaps,—but what about his property? ¶ The common resistance to some forms of insurance—that proper care will *prevent* loss—obviously *does not and cannot apply here*. The argument that certain parts of the country are immune because they have been safe in the past, is equally unsound! Statistics show that nearly every year great wind damage is sustained in at least one section of the country where people thought they were secure from such loss! ¶ Profit by the experience of other agents—don't let them beat you to it! An intelligent presentation of the facts about windstorm coverage, as well as the extended coverage endorsement, invariably means increased business. Get your share now—the windstorm season is starting!



CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co. Organized 1824
The North River Insurance Co. Organized 1822
Westchester Fire Insurance Co. Organized 1837
The Allemannia Fire Insurance Co. of Pittsburgh Organized 1868

Richmond Insurance Co. Organized 1836
Western Assurance Co., U. S. Branch Incorporated 1851
British America Assurance Co., U. S. Branch Incorporated 1833
Southern Fire Insurance Co., Durham, N. C. Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

NEWS OF FIELD MEN

Sioux Falls Honors the Fire Preventers

SIoux FALLS, S. D.—Members of the Blue Goose were guests at a luncheon Monday by the Sioux Falls chamber of commerce. The special guest was Harry (Smoky) Rogers, Western Actuarial Bureau. At least 20 field men were present as well as a representative body of the Sioux Falls fire department. Several agents were also in attendance. A special ladies' table was set for women from various insurance offices. Miner Shaw, chairman of the fire prevention committee, made a few remarks in which he praised the work done both by the South Dakota Fire Prevention Association and the local fire department. He then introduced Jack Krug, America Fore, secretary of the state fire prevention association. Mr. Rogers gave a short, interesting address on "Fire Prevention." He told how fire prevention could become a realization if each individual would shoulder the responsibility that was his, and overcome the fire hazards existing in every home, office building or place of business. He told of the schools conducted for firemen. He said that the firemen must be well informed as to the proper use of chemicals, use of equipment and thoroughly instructed in rendering first aid to victims. He said that South Dakota had done a fine job of fire prevention. He urged business men to do their part in accepting their responsibility in prevention of fires. From Sioux Falls, Mr. Rogers went to Huron where he is conducting a speakers' conference Feb. 20-23.

New Hampshire's Western Field Group Has Rally

The western field men of New Hampshire Fire held their annual rally in Chicago Monday through Wednesday.

Present from the home office were J. D. Smart, president; H. F. Berry and M. J. Greenough, vice-presidents; A. I. Doling, secretary, and W. J. Hallowell, manager inland marine department.

The three-day session, attended by the 16 field men in the western department, was featured by informal round table discussions and individual conferences with the home office officials. W. G. Shipe, general agent New Hampshire and Granite State, was in charge of local arrangements.

Arkansas Blue Goose in Spring Rice Pond Feed

The Arkansas Blue Goose held its spring smoker and initiation party in Little Rock with 43 members and guests present. The following were initiated: Barron Lange and Guy Maris, Coates & Raines; Kramer Roberts, deputy fire marshal; Aubrey Jackson, America Fore; Fred Watkins, Jr., Aetna; Frank Tomlison, Anderson & Newell, and Charles Joseph, Arkansas Fire Prevention Bureau. Guy Williams, state fire marshal, who is an honorary member, was present.

The following out-of-town guests also attended: T. C. McCurdy, Dallas, general manager southwestern department Fire Companies Adjustment Bureau; Ralph Holcomb, Atlanta, Automobile Underwriters Detective Bureau, and S. F. Yancey, Dallas, T. A. Manning & Sons.

St. Paul F. & M. to Hold Series of Field Conferences

Home office executives of the St. Paul Fire & Marine group will open a series of conferences with field men Feb. 27 that will continue two weeks and take in every section of the country except the home office territory and the

Pacific Coast. The first meeting Feb. 27 will be in Chicago and the others in Baltimore and Excelsior Springs, Mo. Each conference will last three days.

Home office executives who will take part include J. B. Carter, W. F. Somerville and R. B. Clark, assistant secretaries of the St. Paul-Mercury Indemnity; H. T. Drake, Jr., secretary marine department; L. W. King and S. J. MacMinn, assistant secretaries St. Paul Fire & Marine. At the Excelsior Springs meeting, Vice-president M. D. Price of the St. Paul-Mercury Indemnity, and Secretary C. A. Dossdall of the St. Paul Fire & Marine will replace two of the other officials.

North British Western Group Meets Next Week

North British & Mercantile's western department will hold its rally in Chicago at the La Salle Hotel from Feb. 26 to March 2. It will consist chiefly of talks by home office officials, round table discussions and individual conferences.

It is expected that from 30 to 35 members of the western department field force and Chicago branch will attend. Among home office officials who may be present is John L. Mylod, assistant United States manager.

Ocasek Heads Ohio Speakers

COLUMBUS, O.—The Ohio Stock Fire Insurance Speakers Association at its annual meeting here elected Thomas J. Ocasek, Underwriters Service, president; B. F. Flood, Royal, vice-president; M. F. Johnson, Rhode Island, secretary; and Homer L. Rubrecht, St. Paul, treasurer. H. P. Winter, America Fore, was named chairman of the executive committee. New executive committee members are Eugene Gallagher, Ohio Inspection Bureau; J. W. DeCessne, Royal, and R. N. Merrill, Hartford Fire. K. J. Hoag, Fireman's Fund, the retiring president, urged progressive action.

Speakers at the Feb. 26 meeting will be D. P. Hague-Rogers, Eagle Star; W. P. Jones, Security, and Thomas A. MacLean, National Union. On March 4 there will be a discussion of public relations.

Testimonial for J. P. Wolfe

The North Dakota Blue Goose gave a testimonial dinner in Fargo for J. Pierce Wolfe of Moorhead, Minn., who is starting his 35th year with the Security of Connecticut. He is the oldest man in the North Dakota field in point of service. H. A. Presler, Springfield Fire & Marine, was toastmaster. Talks were made by H. A. Paulson, most loyal gander; T. P. Davis, president North Dakota Fire Underwriters Association; A. C. Brunsold and O. A. Schollander, both of the St. Paul Fire & Marine. C. S. Whittlesey, retired manager of the Western Adjustment in Fargo, made the presentation speech and Mr. Wolfe was given a traveling bag. Telegrams and letters were read from friends in all parts of the country, including a letter from W. D. Williams, retired president of the Security, and one from the present president, P. J. Berry. About 30 were in attendance.

Plans for R. D. Air Dinner

KANSAS CITY—Reservations for the dinner here March 11 for R. D. Air, America Fore, are being made with O. A. Ramseyer, Missouri state agent of the North America, chairman of the committee in charge, and C. W. Bean, America Fore. Mr. Ramseyer is representing Mr. Air's Missouri friends; Mr. Bean, those from Kansas. No organization is sponsoring the dinner. It is being presented to Mr. Air by the many

friends he has made in the 50 years he has represented America Fore in the field. He now is retired from active field work, but will continue with the loss department here.

Anthracite Club Meeting

The February meeting of the Anthracite Field Club will be held Feb. 27 at the Hotel Sterling, Wilkes-Barre, with dinner. Through the efforts of the Wilkes-Barre entertainment committee, the field men will be addressed by W. E. Mannear and Daniel W. Davis of the Taxpayers Association of Wyoming Valley on "The Relationship of Business and Taxes in Northeastern Pennsylvania."

Introduces Field Man Pictorially

The western department of Fireman's Fund, Chicago, for the purpose of introducing State Agent F. G. Gedelman to Minnesota local agents, is incorporating Mr. Gedelman's picture into the body of a letter so that the agents may know what Mr. Gedelman looks like, as well as about his background.

Plan Educational Series

The Buffalo Association of Fire Underwriters in cooperation with the Buffalo Field Club will begin a series of educational discussions Feb. 28. Herman J. Gahwe, chairman of the Fire Underwriters Association committee, and Ralph Eisert, head of the Field Club committee, are working with J. B. Tally of the Fire Companies Adjustment Bureau in laying out a program.

Automobile Field Muster

Field men of the Automobile and Standard Fire will hold a three-day fire and marine conference at the home office in Hartford, Feb. 26-28. About 125 field men from all sections will attend. Matters pertinent to the production and servicing of business will be discussed. The conference will culminate in a banquet the evening of Feb. 28, at which it is expected that President M. B. Brainard of the Aetna Life companies will speak.

Vanderbilt Sent to Field

W. E. Vanderbilt, who has been an underwriter in the New York office of the Pearl, has been made special agent in New York state with headquarters at Syracuse under the direction of State Agents G. A. Reuter. Mr. Vanderbilt was formerly with the North British & Mercantile in its underwriting department and joined the Pearl in January, 1935.

Home Conference in Georgia

AUGUSTA, GA. — A two-day regional meeting was held here by the Home of New York for field men from the southeastern states. Twenty-six home office officials attended headed by President Harold V. Smith, who went to bed with the flu upon arrival. The meetings were presided over by Vice-presidents Ashby E. Hill and George E. Allen. Mr. Allen, who has been reorganizing the District of Columbia government, was granted a leave of absence by President Roosevelt to attend this meeting. From here the New York officials left for Biloxi, Miss., to hold a similar meeting for gulf states field men.

Burlingame to Speak in Indiana

INDIANAPOLIS — J. H. Burlingame, Jr., assistant manager Western Adjustment, will speak to Indiana Fire Underwriters Association here March 4 on use and occupancy loss settlements. Alwin E. Bulau, Home, has been named to the executive committee, succeeding J. E. Ransel, who recently resigned from the Home to go with the Gregory & Appel agency.

Iowa Pond Plans Annual Meet

DES MOINES.—The Iowa Blue Goose tentatively plans to hold its an-

nual splash at Clear Lake, Ia., some time in June.

Priscilla Wayne, Des Moines newspaper editor, spoke at the luncheon Monday.

State of Pa. Chicago Roundup

The field men in the western department of the State of Pa. are concluding Thursday evening a three-day conference in Chicago with Vice-president Sam P. Rodgers, Secretary Elmer Van Dusen and Assistant Secretary Joseph C. Stevens. The group numbers about 20.

Leon Watson to Talk

NEWARK—The New Jersey Field Club will hold a dinner-meeting Feb. 26. Leon A. Watson, New Jersey schedule rating expert, will talk.

Concentrate in Cincinnati

CINCINNATI—The North America service office at Columbus under the supervision of Miss Helen Dunbar has been moved to the Cincinnati service office in Carew Tower, where Miss Dunbar will have her future quarters. C. N. Mullican, Jr., state agent, is being stationed at Cincinnati instead of Columbus.

Plan to Expand Indiana Activities

INDIANAPOLIS—Richard E. Vernon, Western Actuarial Bureau, held a conference with the Indiana State Fire Prevention Association here to make plans for broadening of the association's activities.

Kokomo will be inspected Feb. 28. Details are being worked out by the secretary, William Ieuter, Ohio Farmers.

National Union Atlanta Parley

Field men of National Union in several of the southern states are to gather in Atlanta March 5 for a conference with Kenneth F. May, head of the auto department at the head office, and A. W. Barthelmes, head of the marine division.

Premium Financing by Banks

W. E. DeBuys of the Equitable Trust Company of Baltimore gave a talk on the financing of insurance premiums by banks and trust companies at the meeting of the Delaware-Maryland Fire Insurance Field Club in Baltimore.

FIELD NOTES

Mrs. John E. Snyder, president of the Wisconsin Women of the Blue Goose, entertained the sewing circle of the auxiliary at tea at her home in Milwaukee.

F. H. Beckman, business engineer and traveler, who was a speaker at the recent meeting of the Fire Underwriters Association of the Pacific, addressed the San Francisco Blue Goose Monday on his recent trip through Mexico and Guatemala. K. M. Brown, Fireman's Fund, presided.

S. R. Allen, chief of the Brookline fire department, will speak at the meeting of the Bay State Club in Boston Feb. 23. Past and present fire chiefs of metropolitan cities will be guests.

The Mountain Field Club will meet in Manchester, N. H., Feb. 26. G. C. Carter, state manager Dun & Bradstreet, will talk on "The Old Time Business Man."

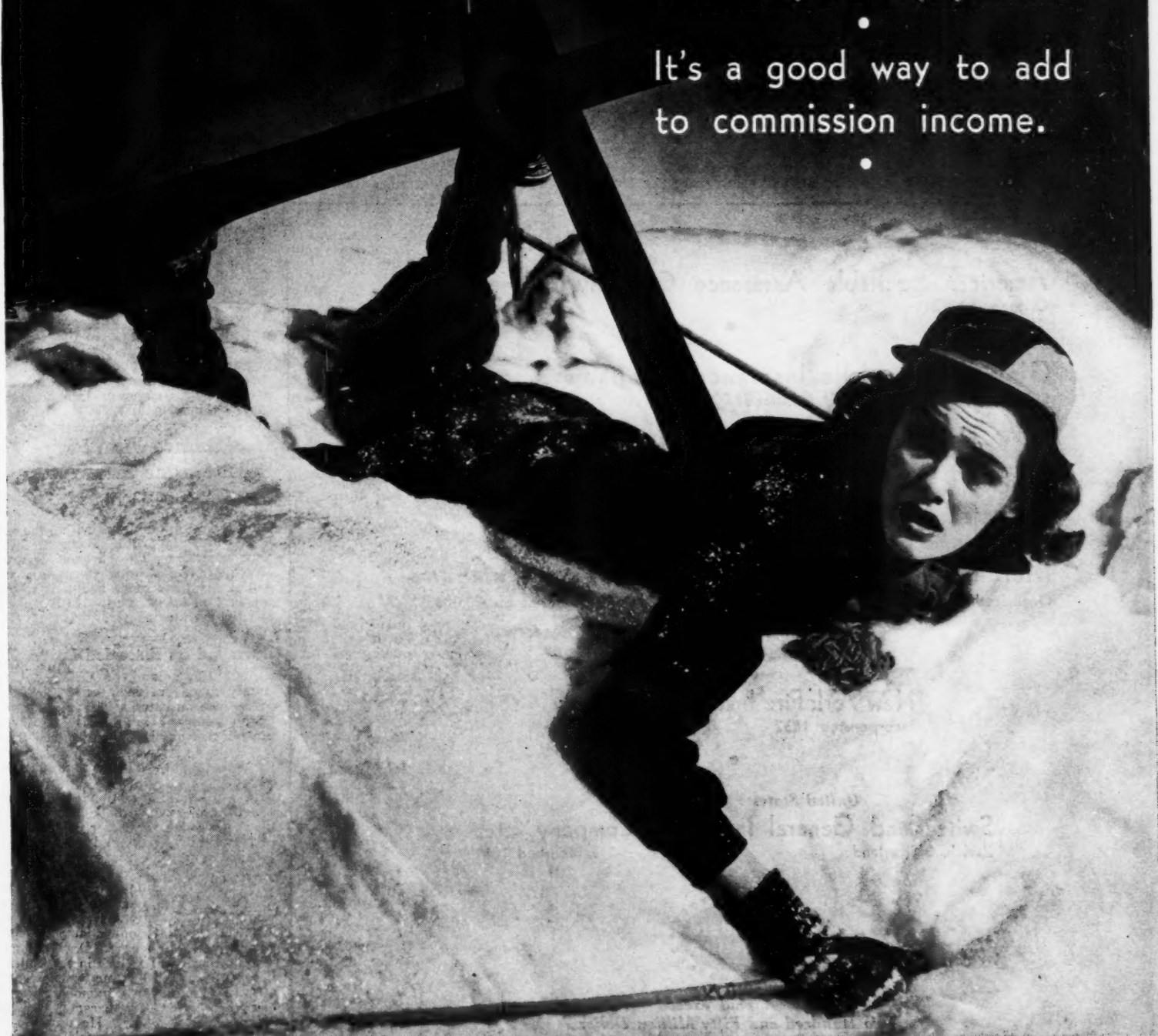
R. E. Farrer, the Home, and Donald Wood, North America, were admitted to membership in the Michigan Fire Underwriters Association at the February meeting in Detroit.

Tom W. Caldwell, Nebraska special agent Home of New York, Omaha, has been named to the executive committee of the Nebraska Fire Underwriters Association to fill the vacancy created by the transfer of J. E. Cryan to the Chicago office of the America Fore.

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ATLANTA

DALLAS

MONTREAL

HOLC Withholds Information on Bids

(CONTINUED FROM PAGE 5)

will have no right to determine for themselves which insurance agent and companies they wish to have serve them.

Where "tax and insurance accounts" have been established by the borrower the HOLC pays the premium in the first instance. However, because this premium is ultimately paid by the owner, the mutuals state that the owner should at all times have the right to place the insurance.

Under the HOLC plan a limited number of companies will write all of the business and frequently the agents whose services have been satisfactory in the past will be cast side in favor of the limited number of agents who are licensed to represent the successful bidder.

Much Disturbance is Found

Since the HOLC has embarked on its long term payment program, the mutual people say that a larger number of persons have become interested in the matter and are much disturbed over

the change in procedure. Merely because dwelling house owners find themselves in the position of borrowers, they should not lose their freedom of choice in the placement of insurance. The HOLC should determine the carriers which will provide the coverage on property owned by the corporation. At the same time the corporation should permit the individual property owners to select their own agents and carriers.

The mutuals contend that there is no more reason why the HOLC should select the insurance carrier than it should determine with whom the mortgagor shall do business in those transactions where he uses all or part of the funds which have been loaned to him by the HOLC for which a mortgage has been taken as collateral.

Many property owners even though they have signed applications for tax and insurance accounts are at the time of signing left with the impression that their insurance will be handled by the agent of their selection and that they do not realize that in signing the agreement they have signed away their right to place the insurance.

The mutual communication quotes from a letter that the American Mutual Alliance received from an agent.

In the computation form, according to this agent, under insurance the HOLC

representative asks the borrower if he wishes to continue the present insurance in force and checks that section if the borrower says yes. The borrower naturally thinks he is continuing the present insurance in force as to company and agent. Apparently, it is treated by the HOLC as authorization to continue the present amount of insurance in force. The name of the borrower's agent and address is filled in which would further lead the borrower to believe that his agent will continue handling the insurance. However, at the top of the form it states that this "is not a part of the agreement on the obverse."

Under the agreement itself paragraph 5, the last sentence, the borrower agrees that, "No policy of insurance will be secured by me . . . but such insurance will be obtained by you through your own facilities. . ."

Charges Camouflage

"The wording which includes 'through any agent I may designate,' according to the agent's letter, 'is actually superfluous wording but would seem to indicate a further effort to camouflage the real intention of the agreement.'"

According to this agent, the agreement is being presented to every borrower who is in arrears, whether as to principal, interest or taxes, and he is

given the option of paying up in full on arrears or of having foreclosure proceedings instituted, or of signing the agreement. Employees of the HOLC, according to the agent, are instructed to exert every effort to secure these authorizations.

The mutual letter goes on to state that it is true that frequently private lending agencies exact agreements from borrowers under which the borrower loses control over the placement of insurance. This is objectionable in the field of private enterprise and the methods are being vigorously opposed. Such methods are none the more desirable when the lending agency is a governmental body, the mutuals state. As a matter of fact, there is a greater obligation upon a governmental agency to follow a procedure which encourages and recognizes individual freedom of action as opposed to a program which takes from the individual that freedom in his business dealings which democracy is presumed to insure.

More Work Involved

The mutuals communication admits that under a plan which permits the mortgagor to select his agent and insurance carrier administrative detail will be somewhat increased. However, the work would not be very much greater and it can be handled by the local representative of HOLC at the time arrangements for loans are made or renewals are contracted for. The companies and agents, according to the mutual letter, would be more than willing to cooperate with the HOLC. "We hope," the letter concludes, "that before final decision is made upon the basis of the bidding which is now taking place, that you will give consideration to the modification of your procedure to the end that borrowers may select their own insurance carriers under reasonable regulations as to required coverages and insurance company dependability."

Big Finance Firm May Form Marine Insurer

NEW YORK — The report is being heard here that one of the major finance institutions contemplates within the next few months launching a marine insurance company. This finance company already operates other insurance companies. If this comes about, it will be the first finance company to organize a strictly marine insurer.

Raymond on Extended Leave

A. M. Raymond of Chicago, Cook county manager of Travelers Fire, has been given an extended leave of absence by his company in order to regain his health. He has not been in good shape for some months and his physician advised him to lay off for a considerable period.

T. J. Butler, superintendent of agents at the head office, will be in charge until an associate manager is appointed. Mr. and Mrs. Raymond are going to Florida next week for some time.

Mr. Raymond is the son of the late M. H. N. Raymond, for many years Michigan state agent of Connecticut Fire. A. M. Raymond went to Chicago in 1898 in the Connecticut's western department. When P. D. McGregor, who had been chief clerk in the Connecticut department became western manager of Queen, Mr. Raymond followed him there and later became its Cook county special agent. He served nine years as Cook county special agent for Munger, Vokoun, Wetmore & Witherbee. He joined Critchell, Miller, Whitney & Barbour in 1920, serving in a similar capacity. In 1925, he became Cook county manager of Travelers Fire and under his supervision the company has made rapid progress in the county. Mr. Raymond organized the department for the company when it began operations in Chicago.

Get details on 1940 Accident & Health Week (April 22-27) promotional material. Write your company.

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Insurance Company of New York
Organized 1849 Capital \$1,000,000.00

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

United States Fire Department
Switzerland General Insurance Company, Ltd.
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Losses paid exceed
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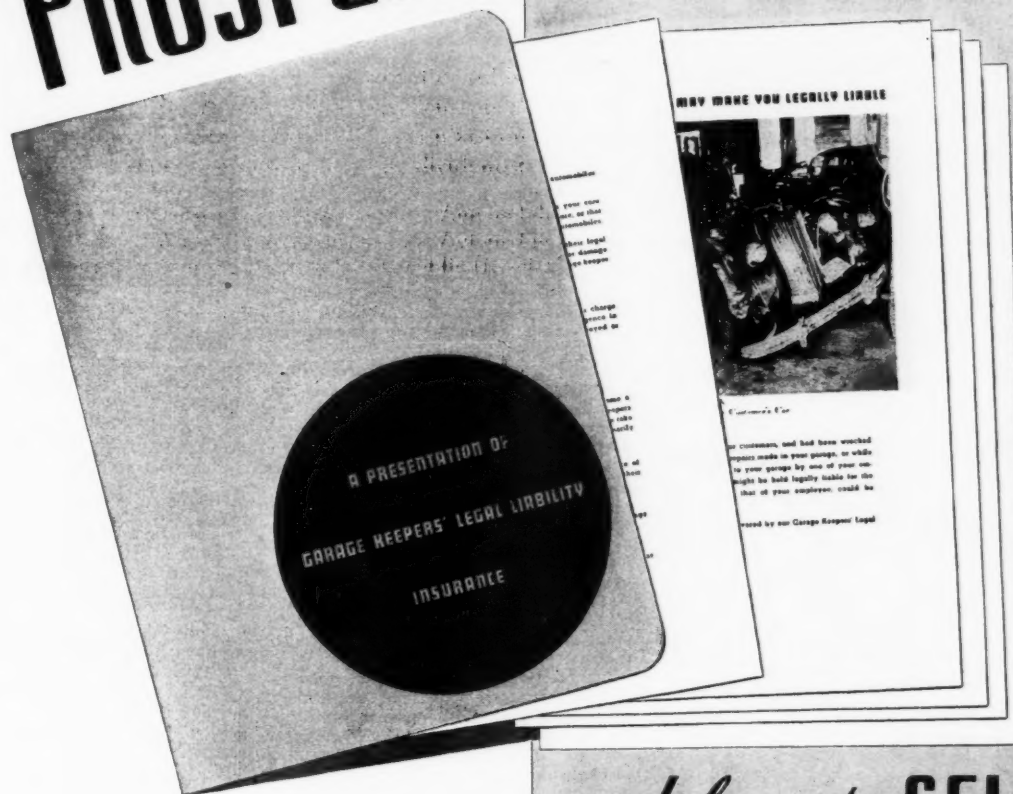
Corroon & Reynolds

Incorporated
INSURANCE UNDERWRITERS
MANAGER

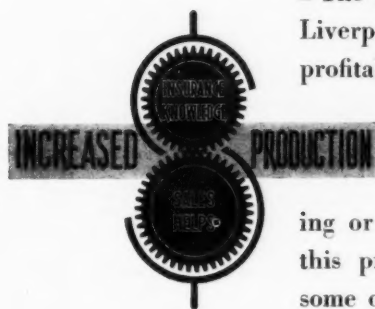
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AS SEEN FROM CHICAGO

VERNOR SPEAKS IN TORONTO

R. E. Vernor, manager fire prevention department Western Actuarial Bureau, Chicago, will speak in Toronto Feb. 23 at a meeting of the Rotary Club on "Rotary Blackout or Beacon." Mr. Vernor is an exchange speaker and, in his stead to speak at a meeting of the Chicago Rotary, will be Norman Summerville, head of the Canadian Red Cross.

Mr. Vernor had a busy time Monday, speaking before the Indiana Fire Prevention Association at Indianapolis that day and at the Dayton (O.) Industrial Safety School in the evening.

MIGRATE TO FLORIDA

Some of the western managers are seeking the now sunny clime of Florida. C. W. Ohlsen of the Sun and Mrs. Ohlsen have been at Babson Park, Fla., the guests of John F. Stafford, former western manager of the Sun, and Mrs. Stafford, and from there went to Clearwater, Fla. They motored down. They are expected back this week. Manager A. F. Powrie of the Fire Association and Mrs. Powrie and Manager E. A. Henne of the America Fore and Mrs.

Henne are at Fort Lauderdale. Assistant Manager John Rygel, Hanover, and Mrs. Rygel are at Miami. Western Manager George H. Bell of the National of Hartford and Mrs. Bell leave this week for Key West, Fla.

F. M. Gund of Freeport, Ill., western manager of Crum & Forster, is at Miami. H. W. Larue, secretary western department America Fore, is taking the sunshine in Florida.

CHESLEY BACK AT WORK

H. W. Chesley of Chicago, assistant manager Western Underwriters Association, appeared at his desk Tuesday morning after an absence of a number of weeks due to a very serious operation. After recuperating a while at home, subsequent to leaving the hospital, he went to Miami, Fla., and acquired a fine coat of tan. Mr. Chesley is in fit shape and was the recipient of many friendly calls and congratulations on his return.

PARTNERS MADE VICE-PRESIDENTS

Fred S. James & Co., Chicago, has elected two partners, J. C. Griswold and W. H. Stevens, vice-presidents. Mr. Griswold joined Fred S. James & Co.,

as a partner in 1936. He entered the insurance business in 1922 with the Continental Casualty. After experience with other agencies he returned to the Continental Casualty Co., in 1931 as resident vice-president. Since becoming associated with Fred S. James & Co., he has divided his time between its New York and Chicago offices.

Mr. Stevens entered the insurance business in 1914 as a clerk. He joined the Fred S. James & Co. organization in 1920, and became a partner in 1932.

HONOR STRAWBRIDGE AT 50TH YEAR

Charles H. Strawbridge was recipient of many congratulatory messages and flowers the other day when he completed 50 years of association with Royal-Liverpool. Mr. Strawbridge retired from active company service in 1928, when the western department of Liverpool & London & Globe was moved to New York. He had been the cashier in that department. Since that time he has operated as a broker, making his office in the Chicago department of Royal-Liverpool.

DEBATE MEMBERSHIP CHANGES

That rocky times are ahead for the Insurance Brokers Association of Illinois is indicated by the current membership controversy which is now stirring the association's rank and file.

Should the contemplated program of accepting class 2 producers as associate members be adopted, it is expected that from 50 to 75 members will resign. These will be chiefly brokers housed in class 1 agencies or who maintain their own offices, and who will not accept a part-time producer as a necessary phase of the business.

As proposed the class 2 producer would be an associate member with no voting rights. It is understood the Chicago Real Estate Board has suggested that the brokers join forces with its insurance division. This is not favored by the brokers' group.

Negotiations are under way, however, between representatives of the brokers association and the insurance division of the Chicago Real Estate Board to determine on what basis a satisfactory relationship in promoting the interests of both can be worked out. The brokers are extremely conscious of the large amount of business they place with agencies and branch offices in Chicago (estimated to be more than 85 percent) and are determined to secure a favorable voice in insurance affairs there.

HURD HEADS PATROL COMMITTEE

E. R. Hurd, general manager Home, Chicago, was elected chairman of the Chicago Fire Insurance Patrol Committee, succeeding J. M. Newburger of Newburger & Co., who retired after six years. Re-elected vice-chairman was E. M. Schoen, manager Atlas.

ADDRESS DISTAFF MEMBERS

C. F. Thomas, manager Western Underwriters Association, spoke on his organization before the meeting of the Insurance Distaff Executives Association when he acted as host at dinner. At the next meeting on March 21, the association will be conducted on a tour of the Underwriters Laboratories where the members will be addressed by A. R. Small, president, who will also take the group to dinner.

The following were elected to membership at the last meeting: Miss Hazel Almcrautz, America Fore; Miss Bertha E. Bidwell, W. A. Alexander & Co.; Mrs. Gwyneth Harper, librarian, Underwriters Laboratories; Miss Bernice McCormick, America Fore; Miss D. J. Pearson, W. A. Alexander & Co.; Miss Esther Persson, Firemen's. Mrs. Lillian L. Herring was elected chairman of the executive board.

MARK TIME ON COST PROGRAM

Little immediate progress in the Chicago Board's efforts to reduce fire acquisition costs appears to be in prospect for the next few months. President R. M. Cunningham, vice-president Marsh & McLennan, has yet to com-

Presides Over Luncheon of Illinois Insurance Federation



ALLAN WOLFF

Allan Wolff of the Associated Agencies of Chicago, former president of the National Association of Insurance Agents, presided over the annual banquet and meeting of the Illinois Insurance Federation in Chicago Tuesday.

plete his selection of the personnel of the four committees which will make the preliminary moves.

Once appointments are made, meetings will be held with the companies, class 1 agents, brokers and suburban agents.

Many of those desired on the committees are either out of town on business, vacationing, or going on vacations shortly. Manager Jay Glidden of the Chicago Board is not expected to return from South America until early in March.

GRIDER LEAVES FOR MEXICO

H. L. Grider of Chicago, manager of the Western Factory, will leave Chicago Saturday with Mrs. Grider, going to San Antonio where they will pick up their automobile and then go on a trip through Mexico.

FOUR NEW MEMBERS IN LOSS UNIT

At the meeting of the Western Loss Association in Chicago Tuesday noon, four new members were elected. They are: Edward B. Cravens, the new loss superintendent in the western department of Aetna Fire, who takes the position of John A. Shea, who has retired; Virgil Honeyman, Hartford Fire; Walter F. Lee, assistant Chicago manager of Yorkshire, and Ralph R. Johnson, assistant manager Pacific National Fire.

Secretary Roy Nortman, Pacific National, was instructed to write a letter of good wishes to Mr. Shea and to advise him that he would always be welcome at any meeting of the association. Mr. Shea was one of the five founders of the association. His health has been impaired for several months.

LABORATORIES BROADCAST

The Underwriters Laboratories will hold the fourth of its "On the Safe Side" broadcasts over station WCFL, at 7:15 p. m., Feb. 24. There will be a round table discussion on how fire defenses of city buildings prevent conflagration. Col. Clarence Goldsmith, Chicago, assistant chief engineer National Board, and R. W. Hendricks, hydraulic engineer, and B. P. Caldwell, Jr., assistant secretary of the Underwriters Laboratories, will participate.

BECOMES SUBSCRIBING MEMBER

Associated Fire & Marine of San Francisco has been elected as a subscribing member of the Chicago Board. M. W. Wilson, vice-president, is in



SPEAKING OF

Pity this poor chap seeking protection from the wintry blasts without adequate coverage. However, the property owner who carries only partial protection is no better off. Fire Insurance on property and contents is necessary of course, but a supplemental contract, rent insurance, burglary, public liability and other forms are essential to complete the coverage. Are you leaving your assured "out in the cold"? The Phoenix-London Group Visible Business Record has been prepared to correct this condition—would

you like a copy? There is also a decided advantage in representing a multiple line Group, writing all forms of Fire, Casualty and Inland Marine Insurance, providing nation-wide claims, engineering and underwriting service. The Phoenix-London Group offers unexcelled facilities for handling your Fire business, your Casualty business, or both, through a single organization.



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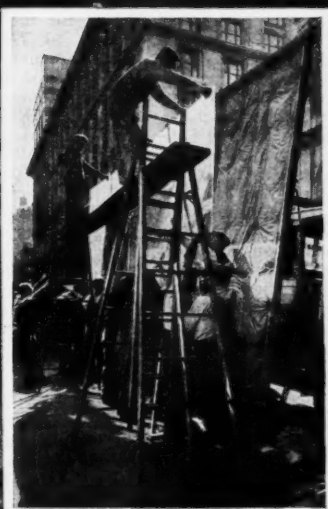
FIRE COMPANIES

Phoenix Assurance Co., Ltd.
Imperial Assurance Company
Columbia Insurance Company
United Firemen's Insurance Co.

The Union Marine & General Insurance Co., Ltd.

CASUALTY COMPANIES

London Guarantee & Accident Co., Ltd.
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The Girard Fire & Marine Insurance Company The Concordia Fire Insurance Co. of Milwaukee
National-Ben Franklin Fire Insurance Company Royal Plate Glass & General Ins. Co. of Canada
Pittsburgh Underwriters • Keystone Underwriters The Metropolitan Casualty Ins. Co. of N. Y.
Milwaukee Mechanics' Insurance Company Commercial Casualty Insurance Company

Western Department
844 Rush St.
Chicago, Illinois

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

HOME OFFICE
10 Park Place
Newark, New Jersey

Foreign Department
111 John St.
New York, New York

Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

FIRE-MARINE-CASUALTY-SURETY

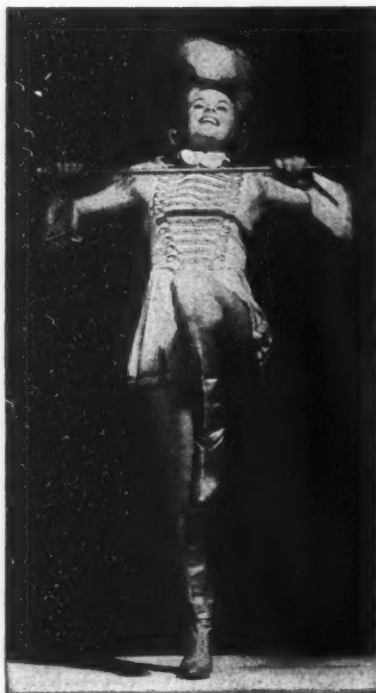
Loyalty Group
INSURANCE



NATIONAL UNION

FIRE INSURANCE COMPANY

PITTSBURGH PA.



(Underwood & Underwood)

**A LEADER
AS
A
GOOD AGENCY
COMPANY**



charge of the mid-west department in the Insurance Exchange building, Chicago.

W. P. Engelhard is the new chairman of the membership committee of the Chicago Board, succeeding G. C. Peterson, Royal-Liverpool group. G. A. Frankel, Yager & Co., was reappointed and A. C. Youngberg of Youngberg & Carlson is a new addition.

SMITH ON MEXICAN TRIP

C. H. Smith of Smith & Wheeler of Chicago, western managers of the Hartford Fire, left Friday for San Antonio with Mrs. Smith. At that point they took their car and started a three weeks automobile trip through Mexico.

TRUCK ACT DISCUSSED BY LONG

The new Illinois motor truck act will compel owners and operators of commercial vehicles to carry insurance or furnish proof of independent financial responsibility of stated amounts, L. M. Long, chief examiner Chicago office, told a meeting in the Fred S. James & Co. office.

Dudley Cones of Cones & Cones, general agents of Little Rock, was in Chicago this week visiting some of the western departments.

Ohio Farmers Agents Saddened by Two Deaths

The annual meeting of the Ohio Farmers Agents Association at the head office in Le Roy, O., was deeply moved when Will V. Hayes of Marietta, a past president of the association, a former director of the Ohio Association of Insurance Agents, and a very prominent Ohio Farmers agent, died suddenly in Le Roy about 6:30 a. m. Feb. 13. The exact cause of death is not known. Then, toward evening of the same day, Milton McKay and Will LeSourd of Xenia, Ohio, of LeSourd & Co., received a telegram stating that Harry LeSourd of Xenia, father of Will, had just died.

Another Harrisburg Session

HARRISBURG, PA.—The fourth of a series of lectures for stock company agents that are being given under the direction of the Pennsylvania Field Club and Harrisburg agents association was held Monday. The speaker was Roy Carlson, special agent for American, who is president of the field club. The subjects discussed were fur floater, jewelry, fur, camera, musical instruments, personal effects and fine arts forms. The lectures will continue through the spring. About 50 attended the Monday session.

NEWS OF THE COMPANIES

Hartford Fire Shows Loyalty Group in Handsome Gains 1939 Operations

The Hartford Fire shows assets \$116,033,221, increase \$6,799,499; premiums \$37,375,144, increase \$536,563; investment income \$3,727,730, increase \$415,537; losses paid \$15,390,134, increase \$137,563; losses incurred \$15,700,576, increase \$583,624; loss reserve \$3,339,174, increase \$310,442; premium reserve \$33,867,779, increase \$931,808; voluntary reserve \$6,000,000, increase \$1,000,000; capital \$12,000,000; net surplus \$56,776,267, gain \$3,957,257. On the basis of premiums written and losses paid the ratio was 41.18 percent; on basis of premiums earned and losses incurred 43.48. The actual underwriting expense ratio, including loss expense is 51.37 percent on basis of earned premiums and 50.09 on basis of premiums actually written. The underwriting profit is \$2,022,287. On the investment side the earning was \$6,656,267. This includes a larger dividend from the Hartford Accident and also an increase in the so-called "market" value of stock of that company. An extra dividend of \$600,000 was declared last year.

The New York Underwriters shows assets \$8,755,098, increase \$276,882, capital \$2,000,000, voluntary reserve \$200,000, net surplus \$5,223,789, increase \$226,893.

The Citizens of New Jersey shows assets \$3,500,139, increase \$195,895, capital \$1,000,000, premium reserve \$495,184, increase \$12,883, net surplus \$2,004,955, increase \$183,012.

National Union's Figures

The National Union Fire shows assets \$16,695,818, of which \$8,520,802 are bonds, \$3,317,937 stocks and \$1,435,081 cash. Its premium reserve is \$7,339,788, special reserve \$1,000,000, capital \$1,100,000, and net surplus \$5,609,852.

The Birmingham Fire of Pittsburgh shows assets \$1,396,529, of which \$771,485 were bonds, \$189,145 stocks, \$270,938 mortgages, \$62,144 cash, premium reserve \$163,234, capital \$500,000, net surplus \$693,469.

Great Eastern Dividend

The Great Eastern Fire of White Plains, N. Y., has declared a semi-annual dividend of 30 cents a share on March 1. It reports assets of \$722,063; capital \$250,000 and net surplus \$376,661.

The 1939 results of Loyalty group shows for the fire companies' premium income \$21,776,457, increase \$1,154,097, or a percentage increase of 5.60. The loss ratio on an incurred basis, including adjustment expenses, was 45.24 percent. The expense ratio on a paid basis was 52.36 percent.

The casualty companies' premium income was \$15,075,072, increase \$1,076,225, or a percentage increase of 7.69. The loss ratio on an incurred basis, including adjustment expenses, was 51.78 percent. The expense ratio on a paid basis was 43.08 percent.

On the basis of fire and casualty companies combined the loss ratio, on an incurred basis and including adjustment expenses was 47.92 percent and the expense ratio on a paid basis was 48.56 percent.

The total Loyalty group premium writings for the year amounted to \$36,851,529, increase \$2,230,322, or a percentage increase of 6.44.

The premium reserve increased \$1,261,078. The policyholders' surplus of Firemen's amounted to \$17,427,074. The Metropolitan Casualty's was \$2,763,196. Commercial Casualty's was \$2,576,671.

North British & Mercantile Shows Strong Position

North British & Mercantile in its new statement reports assets \$15,287,037, premium reserve \$6,562,175, statutory deposit \$400,000 and net surplus \$7,194,899. On the Dec. 31 market value basis, assets would be \$16,342,022 and net surplus would be \$8,249,884.

More than 97½ percent of all investments are in American bonds and stocks. Of the assets 10.2 percent are in cash; 45.3 percent U. S. governments; 11.5 percent municipals; 13.6 percent corporate bonds; 12.3 percent stocks, of which 59 percent are preferred or guaranteed; 6.5 percent balances due.

Camden Fire to Enlarge Home Office Structure

Camden Fire announces that it will erect a new home office annex, consisting of two stories and basement, on a lot at the corner of Fifth street and Taylor avenue. The annex will adjoin and con-

J. M. B. Petrik, Vice-President
G. N. Gardner, Vice-President

J. R. Gardner, President

D. A. Holaday, Treasurer
Hazel O'Neill, Secretary

Thirty-sixth Annual Statement

THE MERCHANTS FIRE INSURANCE COMPANY

DENVER, COLORADO

December 31, 1939

Operating on an Independent Basis

E. R. Zimmerman, State Agent for Ohio
50 East Broadway, Columbus, Ohio

ASSETS	
Cash in Banks and Office.....	\$ 147,309.75
Bonds (at amortized value)—	
U. S. Government—	
Direct and Fully	
Guaranteed	\$ 580,301.41
State	743,311.78
Municipal	1,353,068.60
Real Estate	20,240.00
Total Bonds	2,027,921.79
First Mortgage Loans on Real Estate..	273,047.16
Accrued Interest on Bonds and Loans..	15,158.67
Agents Balances and Accounts.....	222,636.14
Real Estate	21,939.49
	\$2,708,013.00

LIABILITIES	
Reinsurance Balances	\$ 42,006.50
Loss Claims in Process of Adjustment	
(Less-Losses Reinsured \$22,444.11)...	96,439.55
Accrued Taxes and Expenses.....	48,832.05
Reserve for Unearned Premiums.....	1,195,609.38
Reserve for Possible Loss on Real	
Estate Loans and Accounts.....	9,052.62
Voluntary Reserve	100,000.00
Capital Stock	400,000.00
Surplus	\$846,255.69
Less Assets not admitted..	20,182.79
	\$2,708,013.00

POLICYHOLDERS' SURPLUS \$1,226,072.90

	1938	1939	Increase
Surplus	\$ 826,072.90	\$ 810,519.43	\$15,553.47
Assets	2,613,474.44	2,708,013.00	95,538.56
Unearned Premium Reserve	1,125,062.45	1,195,609.38	70,546.93
Net Premium Income.....	1,019,710.88	1,103,721.02	84,010.14

nect with two buildings now used and the exterior will match the present building. The additional structure will provide room for the automobile department which now occupies space in a rented building at Fifth and Market streets. It will include a new board room of modern style, private offices for officers and department managers and an enlarged printing department. It will be soundproof. Construction will begin March 1 and will be completed early in the fall.

Boston and Old Colony Make Distinctive Reports

Assets of Boston at the year end amounted to \$23,098,071, capital is \$3,000,000 and net surplus \$14,650,936. The affiliated Old Colony had assets \$10,192,767, capital \$1,000,000 and net surplus \$6,993,643.

These companies present their statements in distinctive form, to show graphically how the various items on the liability side are matched with liquid investments in the assets column. For instance, opposite the item losses in process of adjustment is an entry of an identical amount of cash. The same is true of reserve for losses unreported, reserve for federal taxes, reserve for dividends. Then in the Boston, opposite premium reserve amounting to \$4,615,817 appears bracketed cash \$317,140, U. S. government bonds \$4,175,125, state, county and municipal bonds \$123,532. When it comes to policyholders' surplus there are bracketed such assets as public utility and corporation bonds, Canadian bonds, stocks, stock of Old Colony, home office building and premiums in course of collection. Thus, it is apparent just how handsome are the margins of security.

Hover Now Assistant Secretary

Ralph Hover has been elected assistant secretary of Camden Fire. He has been with that company since 1930 and has been manager of the inland marine department for the past five years. He entered the business in 1925 as an automobile adjuster for Continental. In 1929 he became an inland marine special agent in the New York office of St. Paul F. & M. He joined Camden Fire the next year and helped to organize its inland marine department.

E. E. Shumaker, president of ERPI-Class Room Films, Inc., of Long Island City, has been elected a director of Camden. He is a former president of RCA-Victor Talking Machine Company.

Merchants of Denver Reports

Merchants Fire of Denver in its new annual statement reports assets \$2,708,013, an increase of \$95,538. The premium reserve is \$1,195,609, an increase of \$70,546. Capital is \$400,000, there is a voluntary reserve of \$100,000 and net surplus is \$826,072.

Merchants Fire increased its premiums last year by \$84,010. It was able to show an increase in surplus of \$15,553 despite the increase in premium reserve.

Cowie Named Secretary of Pearl

NEW YORK—D. J. Cowie has been named secretary of the United States department of the Pearl Assurance. He has been connected with the company since 1923, when he entered its employ at the home office in London. Ten years later he was transferred to the U. S. branch in charge of investments, a function he will continue in addition to taking over other duties. He is also assistant treasurer of the Monarch Fire and the Eureka Security F. & M. and a director of both companies. He is a fellow of the Institute of Actuaries of London and an associate of the Actuarial Society of America.

Charles Hill Jones of New York was added to the directorate of Virginia Fire & Marine at the annual meeting.

Set General Mills Loss at \$750,000

The loss in the fire in the new cereal plant of General Mills in Buffalo will not run as high as the \$2,000,000 figure that was given by the daily newspapers, but it may amount to as much as \$750,000, according to present indications. The General Mills line is controlled by Marsh & McLennan through its Minneapolis office and the insurance on the cereal plant at Buffalo is brokered through a number of Buffalo agents. The line was thus divided among a large number of companies. It was not a Factory Association risk. There was \$1,500,000 insurance on the building and there is a \$3,000,000 use and occupancy policy.

The fire lasted two days. It is understood that the contents are a total loss and that the interior of the nine story building was badly damaged. The exterior appears not to have suffered badly.

The building had been completed by the Charles H. Wing Company, Inc., and had been turned over to the owners on Jan. 20. There was to have been a grand opening last Saturday to which the public was invited. An exhibition was to have been staged of the processing and packaging of the cereal.

The sprinkler system apparently did not operate fully. Chief Walsh of the Buffalo Fire Prevention Bureau stated that the risers had not been capped on the fourth floor. These large pipe openings made it impossible to maintain any water pressure above, he said. Firemen finally succeeded in capping the pipes on the fourth floor and eventually there was obtained a 45 pound pressure to the floors above.

Welsh said firemen were hampered getting into the building because of "extra heavy glass used in the narrow windows." The glass resisted the direct force of high pressure lines, he said, and had to be broken by hand. The cause of the fire has not been determined.

It is understood that about \$300,000 of cartons, wrappers and general supplies were destroyed in the fire.

George Seyfried, head of the loss department of Marsh & McLennan in New York, went to Buffalo Tuesday.

Rumpus In Iowa Over Excess Plan

DES MOINES—The new type of competition, excess insurance over primary coverage, has created a rumpus in Iowa, with agents watching with interest the activities at Burlington, Ia., of an insurance advisor, Reed Timmers. His activities have been under scrutiny largely because of his recommendations to an insured to purchase the excess coverage plan.

The excess coverage plan, some contend, is contrary to the Iowa insurance laws which provide for the pro rating in a loss of all valid and collectible insurance.

Mr. Timmers is said to have headquarters at Albany, N. Y. He is not licensed as an agent in Iowa.

In one of the cases under scrutiny, the Logermarcino Group company, a wholesale fruit firm with buildings in seven or eight Iowa cities, took out the excess coverage over 20 percent of the value of the buildings with one company and secured the first 20 percent coverage through local agents who had been writing the insurance. The local agents wrote the original coverage rather than lose the business and in or-

der to protect the insured in case the excess coverage had to be canceled.

Under Mr. Timmers' plan, if a building is valued at \$12,000 he would get \$3,000 insurance from the companies which had been covering the insured, and then take out the remaining 75 percent coverage with the second company offering the excess coverage. In case of a fire, the first company would pay losses up to \$3,000 while the second company would have to pay only loss over the \$3,000. The combined premiums, presumably, would be less than if the entire line were purchased in the orthodox fashion.

Pink to Speak in Boston

BOSTON—Superintendent Pink of the New York insurance department will make what is believed to be his first appearance in New England insurance circles when he will be the guest speaker at the quarterly meeting of the Mutual Fire Insurance Association at a luncheon in Boston. Commissioner Harrington of Massachusetts has been invited to be a guest.

Foehringer Heads Field Club

A. F. Foehringer, special agent McCabe & Hengle, Cook county managers for Agricultural, was elected president of the Cook County Field Club. He succeeds W. T. Jenkins, resigned. A. L. Corey, special agent Travelers Fire, was elected vice-president to fill the post left

E. W. Elwell Has Train Ride and That's News

E. W. Elwell, United States manager of Royal Exchange, went to Pittsburgh Sunday night for Pittsburgh Insurance Day by train. That is news, because Mr. Elwell is one of the first air travelers of the country. He motored to North Beach airport in New York Sunday evening to find that all planes were grounded. The attendants, who know Mr. Elwell well, said that they had tried to reach him at his home. Mr. Elwell found that the time was short to get a train and said he doubted whether he could make it. The airport people solved the problem by providing Mr. Elwell with a motorcycle police escort and he had a thrilling ride to Penn station in the manner of visiting royalty or a trans-Atlantic flyer.

vacant by George Cassell, W. A. Alexander & Co., who became state agent for the Caledonian group, recently. Named to the executive committee were W. F. Kuffel, Phoenix of Hartford, and Ralph Black, Northern Assurance.

G. A. Rooney, assistant judge of the probate court of Cook county, spoke on "A Comparison of Washington and Lincoln."

T. A. Avril, state agent Fireman's Fund, Denver, is recovering from a major operation.

STATEMENTS IN Unique FORM

Boston Insurance Company

INCORPORATED 1873

Summary of December 31st, 1939 statement filed with Massachusetts Insurance Department

LIABILITIES		ASSETS	
Losses in Process of Adjustment	\$ 793,956	Cash	\$ 793,956
Reserve for Losses Unreported	199,500	Cash	199,500
Reserve for Federal Taxes	80,000	Cash	80,000
Reserve for Dividends	270,000	Cash	270,000
Unearned Premium Reserve	4,615,817	Cash	317,140
All Other Reserves and Liabilities	1,487,862	U. S. Government Bonds	4,175,125
Capital	\$3,000,000	State, County and Municipal Bonds	123,532
Surplus	14,650,936	State, County and Municipal Bonds, Railroad and Public Utility Bonds	1,487,862
Policyholders' Surplus	17,650,936	Public Utility and Corporation Bonds	430,680
		Canadian Government, Provincial and Municipal Bonds	106,831
		Stocks	6,995,643
		Old Colony Insurance Company	8,112,678
		Real Estate (Home Office Building)	975,000
		Premiums in Course of Collection and other Admitted Assets	1,030,104
			\$25,098,071

Old Colony Insurance Company

INCORPORATED 1906

Summary of December 31st, 1939 statement filed with Massachusetts Insurance Department

LIABILITIES		ASSETS	
Losses in Process of Adjustment	\$ 257,173	Cash	\$ 257,173
Reserve for Losses Unreported	58,600	Cash	58,600
Reserve for Federal Taxes	37,000	Cash	37,000
Reserve for Dividend	50,000	Cash	33,502
Unearned Premium Reserve	1,653,614	U. S. Government Bonds	16,498
All Other Reserves and Liabilities	142,737	U. S. Government Bonds	1,653,614
Capital	\$1,000,000	U. S. Government Bonds	142,737
Surplus	6,993,643	U. S. Government Bonds	932,915
Policyholders' Surplus	7,993,643	State, County and Municipal Bonds	675,604
		Railroad Bonds	208,481
		Public Utility Bonds	184,424
		Corporation Bonds	201,181
		Canadian Government, Provincial and Municipal Bonds	70,515
		Stocks	5,376,939
		Premiums in Course of Collection and other Admitted Assets	343,584
			\$10,192,767

WILL PURCHASE

Wanted to purchase, an insurance agency in the vicinity of Jamaica of Queens Village, L. I., N. Y., with annual commissions of \$3,000 to \$5,000.

ADDRESS L-21, NATIONAL UNDERWRITER
175 West Jackson Blvd., Chicago



FIRE · MARINE AUTOMOBILE

Home Office: 87 KILBY STREET, BOSTON, MASSACHUSETTS

President Bissell Comments on Report

(CONTINUED FROM PAGE 3)

pected increase in burning ratio in fire insurance has not yet come to pass to any marked extent, but with the steady reduction in premium rates, which is still going on at a smaller degree than heretofore, the loss ratio of companies generally will be found to be somewhat higher than the previous year. He predicts a still higher loss ratio in 1940. The expense ratio, he said, will be moved up due to constant rate reduction. The cost of insurance to policyholders has been reduced over 36 percent since 1910.

Effect of the War

President Bissell said that the war has augmented rather than diminished the confused and complex situation as regards most kinds of business and the tendency of various groups to feel that they have a peculiar and imperative right to demand subsidies from the government shows no diminution.

The investment income shows an increase of over \$400,000, a considerable amount due to the increased dividends paid by the Hartford Accident, its subsidiary company. Taxation, he said, continues to be one of the chief burdens and the only question seems to be whether there will be an increase or whether taxes will remain about as they are.

Expense Ratio Advances

Studying the loss ratios of companies as of Jan. 1, President Bissell said it appears that fire companies have had reasonable experience. Very few statements reveal any reductions in expense ratios. He said that a "moment's reflection is sufficient to demonstrate that if we transact practically the same amount of business as in former years but at reduced rates the expense ratio will probably advance. The tentative efforts which thus far have been made to bring about cooperation among the companies in reducing expenses of various kinds have not yet produced any results, but there is much stronger pressure than heretofore for such an endeavor. Meetings are to be held in the near future, which it is hoped will enable us to bring about some lessening of administration costs at least."

Competitive Situation Worse

President Bissell states that the competitive situation has become considerably worse, if possible, than a year ago and probably will show very little improvement as long as the burning ratio continues to be low. He says that the matter is the subject of much discussion among companies and some strong efforts will be made to stem the tide of demoralization.

The Hartford Fire's ocean marine during the year showed a very decided increase, partly due to war risk insurance and other income diverted to American companies by reason of the war, but largely President Bissell says, due to the enterprise of its own ocean marine department. President Bissell further said:

"The great difficulty which stands in the way of our patrons and therefore in our own way is the uncertainty which prevails both at home and abroad. It apparently is difficult for legislators to realize how unfavorable a factor uncertainty can be in restraining expansion, production or the establishment of new enterprises. Everybody knows that we shall never get back to the conditions which prevailed 15 or 20 years ago. The whole face of the world has altered and in addition it is absolutely impossible to calculate with any feeling of confidence the extent to which world affairs may be further disturbed by the great war now in progress. It is conceivable even that we, a peace-loving

Pittsburgh Day Again Is Sparkling Event

(CONTINUED FROM PAGE 3)

about 100 and was addressed by either one or two speakers who had been carefully selected and who held the attention of the groups closely.

The luncheon speaker was T. W. Bethea, an attorney of New Orleans, who represents among other interests the Better Business Bureau and the Insurance Exchange of his city, giving his well known talk on consumer co-operatives. Many of the agents and company men had as their guests prominent assured and public officials of Pittsburgh. Mr. Bethea gave the



A. W. PARDEW

same talk that he gave at the big casualty convention at White Sulphur Springs, W. Va., last fall. His criticism of consumer cooperatives brought out the points that have become very familiar to insurance people, but coming from a man outside of the business the criticism was particularly effective and there is no doubt that the assured in the audience were impressed. Mr. Bethea speaks in soft tones but fluently and convincingly. He injects enough humor to avoid fanaticism but without destroying the earnestness of his message.

Mayor Scully Speaks

Ray Tucker of Tucker & Johnson, Travelers agents, presided at the luncheon meeting as he was chairman for that event. He introduced Mayor Scully who spoke in pleasant vein. The leaders were gratified that Mayor Scully remained throughout the entire talk of Mr. Bethea instead of taking a quick bite and departing with apologies. Mr. Scully said that he had a check for \$120 in his pocket from Pacific Mutual Life on account of an accident suffered by his wife and that hence he was more of a believer in insurance than ever. A. W. Pardew, recently elected president of the Pittsburgh Insurance Agents Association, and a prominent local agent, in booming voice, presented Mr. Bethea to the audience.

In the afternoon was run off a most successful question and answer period, in which those from all branches of the business participated. An account of that session appears elsewhere. The period lasted about two hours. Thus, those who attended the morning session, went to the luncheon and took in the afternoon meeting had a straight stretch of six hours on the listening end.

nation, may be drawn into it before the contest is finally concluded, although the vast majority of American people are in favor of keeping out of the war, even at the cost of very serious sacrifices."

The banquet session lasted about four hours.

The company executives who were more numerous than ever this year were entertained as usual at a magnificent cocktail hour by the local leaders. Then this group, in evening clothes, filed into the banquet room, filling the head table that ran the width of the banquet hall and also filling a tier of tables just in front of the head table.

Charles H. Bokman, Pittsburgh manager of New Amsterdam Casualty, who has served as general chairman of Pittsburgh Insurance Day for several years, and who coordinates the activities in splendid fashion and works behind the scenes effectively, spoke a few words at the banquet and presented the master of ceremonies, Charles F. Flaherty of Tener-Lowry, general agents, who is president of Pittsburgh Insurance Club. Mr. Flaherty spoke graciously, pointing out particularly that the Pittsburgh insurance interests are the sponsors of the insurance school that is conducted under the auspices of the Pittsburgh board of education. Mr. Flaherty said that the present class of the insurance school numbers about 90. He then introduced each of the "honored guests" at the head table.

F. J. O'Neill is Toastmaster

The toastmaster was Frank J. O'Neill, president of Royal Indemnity and of Eagle Indemnity. Mr. O'Neill, a rugged speaker, took advantage of the opportunity to get off some witticisms and also put across some philosophical observations. In presenting Commissioner M. H. Taggart of Pennsylvania, Mr. O'Neill took occasion to pay respects to those who are advocating federal control of insurance. He said that state control has worked well over the years and that he wants "no part of federal



J. DILLARD HALL

supervision." He said the National Association of Insurance Commissioners has done splendid work in providing uniformity in necessary degree. Mr. Taggart spoke very briefly.

The speaker of the evening was Drew Pearson of the Pearson & Allen team that has the syndicated column, "Washington Merry-Go-Round." Mr. Allen spoke in gossipy vein about political and international affairs. He predicted that Roosevelt would be the nominee of the Democratic party and that Supreme Court Justice Owen Roberts would be the choice of the Republicans. He held his audience closely and there was none of the disturbance in the back room that usually occurs at a banquet of this size. At the request of the local committee, the various company headquarters throughout the hotel were locked at 6:45 p. m. until the close

of the banquet. There were perhaps a dozen company headquarters on a large scale and a number of companies had more intimate gatherings. Many agents were present from towns in western Pennsylvania outside of Pittsburgh, from eastern Ohio and from West Virginia.

Fire and Marine Session

At the fire and marine group meeting in the morning, the presiding officer was Paul J. Mullen, Phoenix of London, president of the Western Pennsylvania Field Men's Association. The speakers were John J. McGovern, Pittsburgh manager of the Fire Companies Adjustment Bureau, and Arthur J.



JOHN J. HALL

Huneke, manager of the inland marine department at the head office of Eagle Star.

Mr. Huneke has a splendid platform presence that he demonstrated at the Boston convention of the National Association of Insurance Agents. He spoke enthusiastically of the opportunities of the inland marine line and predicted that the growth in that department would to some extent parallel the growth in casualty insurance. The premiums for inland marine in 1938, he observed, were \$44,000,000, which was about the figure in the casualty business 20 years ago. The agents, he declared, should get on the bandwagon now. Among other things he said there is an especial opportunity for the development of jewelry floater business. Many policies covering jewelry were dropped during the depression years but he expressed the belief that much of the jewelry that went into safe deposit vaults or was disposed of is again being worn.

Mr. McGovern analyzed a number of interesting claim experiences that illustrated various points.

Casualty Forum

Presiding at the casualty forum was Charles Hammer, Pittsburgh manager of Fidelity & Casualty. The speakers were John J. Hall, head of the department of street and highway safety of the National Conservation Bureau, and J. M. Gillet, vice-president of Maryland Casualty.

Mr. Gillet gave an illuminating exposition of the new comprehensive liability policy of the National Bureau of Casualty & Surety Underwriters and told something of the background.

Mr. Hall was in fine fettle. He is an animated and well posted crusader. He referred to the safety center at New York university that teaches safety to teachers. This plan is now being extended to six other state universities by way of short courses.

He urged agents to participate in spreading the safety gospel, using books, posters and similar equipment provided by the National Conservation Bureau. He gave some precise illus-

trations of accident reduction in the various cities through application of education, engineering and enforcement.

Special interest was taken in Mr. Gillet's remark that the comprehensive liability policy ultimately may not include automobile liability and it may not include certain types of contractual liability except by endorsement.

The application, he pointed out, will be in effect, a survey of an assured's business and as such will be particularly valuable to him.

The inclusions and exclusions and interpretations of the policy have not yet been precisely determined, he said.

A. C. Supplee, Pittsburgh manager of United States Fidelity & Guaranty, presided at the surety forum. The prin-



A. C. SUPPLEE

cipal speaker was J. Dillard Hall, assistant agency director United States Fidelity & Guaranty, who always makes a hit and keeps a meeting moving at a high pitch. He gave largely the same talk that he presented at the meetings of the Ohio Association of Insurance Agents, of the Cincinnati Fire Underwriters Association and St. Louis surety program. He will also give the same talk at the meeting of the Minnesota Association of Insurance Agents March 8.

J. Edgar Hoover Cooperates

At the suggestion of Mr. Hall, J. Edgar Hoover, director of the Federal Bureau of Investigation, in his quarterly report listing all the crimes known to the police in the larger cities, is now including as well facts about those arrested for embezzlement. The latest annual report of Mr. Hoover's department shows that 19,226 were arrested for embezzlement. In Pittsburgh there were 2,049 persons arrested for embezzlement. According to Mr. Hall, Mr. Hoover will send a copy of his quarterly crime reports to any agent that requests them. Mr. Hall believes that Mr. Hoover would welcome the aid of the insurance fraternity in curb and embezzlement.

At the surety forum a number of visiting company executives were presented including J. G. Yost, executive vice-president American Bonding and vice-president of Fidelity & Deposit, and E. J. Parrock, engineer in the contract bond division of F. & D.; Col. H. P. Dunham, vice-president American Surety; Frank O'Brien, educational director Fidelity & Casualty; G. C. Trenholm, assistant secretary U. S. F. & G., and Harry F. Ogden, vice-president, and C. B. Gamble, secretary Fidelity & Guaranty Fire.

Casualty Claims Meeting

The largest attendance of the morning meetings was that on casualty claims. Paul Simmerman, New Amsterdam Casualty, presided as chairman of the meeting. By his side was A. J.

Killard, Zurich, president Pittsburgh Casualty Claims Association.

The speaker was R. N. Caverly, vice-president of Fidelity & Casualty. He was introduced by Gail Richards, Pittsburgh claims manager of Fidelity & Casualty. Mr. Caverly gave much of the same talk that he gave at the meeting of the International Association of Insurance Counsel at Hot Springs, Va.

He traced the development of casualty insurance from the early marine insurance days. Life and casualty insurance owe their growth, he declared, to the ingenuity of American business men. Casualty insurance, he declared, is traceable to the development of the railroad. In 1864 the Travelers was organized for railroad accident business only. In 1876 Fidelity & Casualty was organized, this being the first company chartered to write all casualty lines. The third party liability business was developed originally by Employers Liability, he said. The first liability policy was issued by Employers Liability in 1886.

A teams' policy written in Milwaukee was the first vehicle policy written, he declared.

In 1898 there were 200 automobiles manufactured in the United States. The first automobile policy was written that year for a doctor in Buffalo. Some of the early insurance company executives

would not consider writing automobile liability insurance.

In 1866 steam boiler insurance was written by Hartford Steam Boiler. In 1867 plate glass insurance and workmen's collective was issued. The latter form paid the salary and medical and preceded workmen's compensation.

In 1879 the first fidelity contract was written. The annual premium income of Fidelity & Casualty in this department at that time was \$912.

In 1884 American Surety organized the first surety company.

In 1890 Fidelity & Deposit was organized at first mainly to write public official bonds.

Shortly afterwards United States Fidelity & Guaranty was organized primarily to bond selected lawyers.

In 1900 the combined income of 12 companies was less than \$1,000,000.

Mr. Caverly traced the organization of domestic and foreign casualty and accident companies.

He said the greatest growth in the insurance business has taken place over the past 30 years. In 1938 there were 652 carriers in all lines. Premium income was \$1,206,812,000.

Public relations, he said, is the greatest problem in business today. The claims man, he observed, delivers the product, (the protection) that is manu-

factured by the underwriter and sold by the producer. The problem of the claim man is at times difficult, as he must often match wits with the shyster or faker. Most claimants, however, are honest, he declared. The claim man should not mistake the quite natural tendency to exaggerate and the demands of a strained mental attitude for willful malingering.

The claim man must be honest above all, with all—claimant, company, and self and must render service. So long as the companies retain the public trust and keep the competition clean, the public will permit the companies to operate, he said.

Accident and health managers associations were commended for admitting producers to their organizations by William B. Cornett, superintendent of agents of Loyal Protective Life and president of the National Accident & Health Association, at the accident and health forum. The men "on the firing line" have a deep interest in the business and belong in such organizations, he commented.

Mr. Cornett outlined the 13-point program of the National association for expansion and policy of organizational activity, and said:

"In the United States we have more than 14 million accident or accident and

EXCEPTIONAL FACILITIES!



Pearl underwriting facilities and service, whether the risk be large or small, will be found exceptional because they're exceptionally complete.

PEARL AMERICAN FLEET

PEARL ASSURANCE CO. LTD., (United States Branch)
EUREKA-SECURITY FIRE & MARINE INSURANCE CO.
MONARCH FIRE INSURANCE COMPANY

175 W. JACKSON BLVD., CHICAGO, ILL.

Cleveland, O.
314 Bulkley Building

New York, N. Y.
80 John Street

Cincinnati, O.
2810 Carew Tower

San Francisco
200 Bush Street

Philadelphia, Pa.
525 Chestnut Street

health policyholders and more than 64 million life insurance policyholders. We have better than 40 million wage earners in the country. Subtract 14 million covered by accident and health insurance and you have 26 million with absolutely no protection.

"Ninety-three percent of the population receives less than \$3,000 a year; 96 percent receives less than \$5,000. The man who makes less than \$5,000 needs our protection."

He pointed out that of those insured, about 7 or 8 million had small policies inadequate for their accident and health needs. The public should be made to

realize that insurance against loss of earning capacity while still alive is the most vital form of insurance, he declared.

C. A. Sholl, president of Globe Casualty and president of the Ohio Accident & Health Association, spoke on "Organizing, Motivating & Selling in the Forties."

He said that proper training of new agent is vital in the accident and health business because he must be an underwriter as well as a salesman.

From an underwriting viewpoint the company is in the hands of its agents and upon their capability, honesty and

integrity depends its success in underwriting.

Dissatisfaction is an important aspect in selling and in motivating men. Mr. Sholl estimates that 20 percent of new business is written by satisfied agents and 80 percent by agents who are dissatisfied with their past earnings and their dissatisfaction has ripened into ambition to succeed. The right kind of agent who is dissatisfied with his present income works more intelligently and makes more calls, writes more business and materially increases his income. This dissatisfaction gets action and creates business.

In stressing the need for better and more adequate sales training, Mr. Sholl criticized the fact that agency forces have been built up by permitting the men to rely almost entirely upon their own natural talents and experiences. There is need for better plans for selecting new agents so as to reduce turnover and check high lapses and claims. The relation between underwriting profits and the type of agent under contract should be given consideration. He urged more cooperation between existing organizations to formulate an improved agency training course.

A. C. Feagan, Inter-Ocean Casualty, presided.

Says TNEC Probe Is Wandering

(CONTINUED FROM PAGE 4)

grow, because of some diabolical factor in its make-up or because it is a safe haven for frightened money? Has it grown because it made wild promises to the public which it could not fulfill? Or because it has fulfilled those promises it has made? Not one whit of evidence has been introduced as to why life insurance has grown big—only the fact that it grew and remained healthy through depressions. But it is difficult to see why anyone should be alarmed because life insurance has proved safe for the savings of the people during depressions.

Insufficient Showing of Facts

"Completely insupportable is another apparent assumption made in lieu of thorough investigation of the facts—namely that life insurance is so big it needs federal attention.

"The burden of proof falls heavily on the shoulders of those who contend that the super power or super vision of federal government is needed in insurance affairs.

"For the how and the why and the where and the what of insurance growth surely owe their soundness in great measure to the fact that insurance for nearly a hundred years has been supervised by the states. If insurance is good—and various members of the SEC and TNEC have repeatedly and publicly declared it is good—then it follows that state supervision is good; for the two have grown hand in hand.

"It seems staggering that there has been an apparent assumption of the need for federal attention to insurance without even the slightest effort on the part of those concerned to hear testimony as to what state supervision is, how it works, what are its merits, and what are its demerits."

State Supervision's Advantages

Mr. Arnold summarized the advantages which have accrued under state supervision of life insurance as first, that state supervision tends to stimulate progress and encourage innovations and advances in services and benefits provided for the public. Many of the great advances of the business, he pointed out, are the result of experiments tried under the supervision of some individual state, and when worked out on a sound basis, were gradually introduced and made general through acceptance in other states. Federal supervision would tend

to straitjacket such experiments, and freeze progress, he declared.

A second great advantage of state supervision, he said, is the encouragement it provides for competition, by fostering the growth of new companies, under the sympathy and protection of the supervision of their home states.

Because it is impossible to control or influence the legislatures of 48 states all at one time, he pointed out, the very nature of state control is the best protection against unhealthy influences in legislation either by the insurance companies themselves or by pressure groups.

Now Free from Pressure Groups

"Ham and eggs tried in California may be disastrous in California but it does not constitute a threat to the nation," Mr. Arnold said. "A non-partisan league and a socialistic government competing with private enterprise in North Dakota may be a disastrous experiment for North Dakota but it does not mean disaster for the country. So it is in the field of insurance. Responding to pressure groups or local political elements, mistakes are frequently made and even misdeeds occasionally found in the conduct of insurance supervision by the states. But these mistakes have never harmed the steady, safe growth of the institution of life insurance as a whole.

"Yet the moment you centralize control of insurance on a national basis and subject it to national pressure groups or national political factions, you place in jeopardy the whole institution of insurance. Those who would ignore this fact must indeed have a sublime faith in the infallibility and the super vision of a super government, a faith neither human nature nor history upholds."

Two Supervisions Would Conflict

If instead of substituting federal control for state control, the speaker said, federal control is superimposed in addition to state control, there will be an inevitable tendency for state supervision to relax its vigilance. "There can only be a natural tendency for the two types of supervision to get into conflicts on some matters and to 'pass the buck' on others," Mr. Arnold declared. "To the extent that they are in conflict, the results will be injurious to the business and to the extent that they 'pass the buck' supervision will be weakened on both sides."

Overflow Attendance at Michigan Agents' School

(CONTINUED FROM PAGE 4)

He praised the work of Mr. Hildebrand, declaring that during his two year incumbency the association has been "placed on a sound and militant foundation." He cited the increased unity achieved through action of the Detroit association in voting co-extensive membership with the state organization but noted that there are still many Michigan communities "where local boards are needed and should be organized." In boosting the state association's new educational program he emphasized that "we owe to the insuring public a comprehensive knowledge of the insurance we sell."

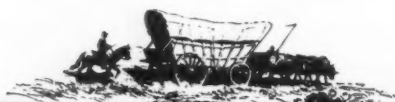
David Marantette, president Detroit association gave a report in behalf of George W. Carter, chairman of the conference committee, who was unable to attend. David Forbes, Grand Rapids, vice-president and finance committee chairman, urged prompt and full payment of dues to finance the intensified activities program. Mr. Hildebrand and Carl F. Trager, Lansing, chairman education committee, joined in describing the full scope of the year's educational activities.

The banquet Thursday evening was marked by presentation of motion pictures of the Ohio State-Michigan football game last fall. Clarence Munn, assistant Michigan coach, offered this feature.



NEW BUSINESS 1940

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ONE OF THE TRAVELERS COMPANIES

VIEWED FROM NEW YORK

By GEORGE A. WATSON

STEPHAN SPEAKS TO EXAMINERS

C. J. Stephan, New York casualty manager of the Firemen's Group, spoke at the dinner-meeting of the Fire Insurance Examiners Association. He outlined fundamental points of the law of contract that are met with by underwriters daily, but which are given insufficient attention until a loss occurs and the matter of liability is at stake. He stressed the importance of having binders of verbal agreements confirmed and the time-stamping date of receipt of all orders, holding these are of concern to all parties concerned.

J. & H. ACQUIRES ANOTHER FIRM

Johnson & Higgins has acquired the brokerage business of Otis, Jones & Co., and Courtland Otis, president of Otis & Jones, becomes a director of Johnson & Higgins. Monroe Maltby, Charles S. Riley and H. V. Roden, partners and directors of Otis-Jones, also become associated with Johnson & Higgins.

BROKERS MUCH CONCERNED

Brokers of New York City, it is figured, are concerned in the recent decision of the court of errors and appeals of New Jersey, upholding the demand of the state tax commission that brokers licensed in the state must file returns and pay at least the minimum tax of \$25 annually. The tax in question became operative in 1937 and those amenable thereto must remit for each of the three years, plus interest. On or about March 15, it is officially announced, a list of those who have not complied with the law will be prepared by the insurance department and handed the attorney general who will institute proceedings to enforce collection and to prevent delinquents from transacting further business in the state.

EXCHANGE FUNCTIONS DIVIDED

The rate making functions and the policy-making and regulatory activities of the New York Fire Insurance Exchange have now been separated. That means that members of the New York Fire Insurance Rating Organization who are not signatory to the Exchange agreement, hereafter will have the privilege of attending the Exchange meetings and voting upon matters pertaining to rates and rate making. This step was recommended some time ago by the New York department.

The proposal was not adopted to limit Brooklyn writing offices to one and permanently to freeze existing offices. The matter was referred back to the executive committee. A number of Brooklyn agents who were invited to the meeting, spoke on the subject.

A nominating committee was appointed to propose a slate of officers and committee members to be acted on at the annual meeting in March. It consists of J. A. Forrestel, G. F. Neiley and N. S. Schroeder, class 1; R. R. Martin, and J. W. Russell, class 2, and C. McDaniel and E. Renal, class 3.

A testimonial was adopted in memory of S. T. Perrin, former president of the Exchange.

INSURANCE SOCIETY SYMPHONY

The New York Insurance Society Symphony has been making headway. It started in November, 1938, when the suggestion was made to the members by M. D. Line of the Northern Assurance, expressing the belief that sufficient musical talent could be found in insurance that would make such a society organization successful. He presented the plan to Miss Maude E. Inch, assistant secretary of the Insurance Society, and she interested E. H. Boles, president of the General Reinsurance, who is an outstanding musician. He was enthusiastic and offered to cooperate. Last year a committee was formed consisting of R. W. Gilbert, Yorkshire,

chairman; Carl von Lautz, Firemen's; Norma B. Palmer, Great American; Lillian E. Walsh, General Reinsurance, and Mr. Line, who acts as librarian. The symphony secured Mr. von Lautz as conductor. The rehearsals are held Monday evenings in the Old John Street Church. Applications will still be accepted, especially for violins and woodwinds. The Insurance Society is located at 100 William street, New York City.

N. Y. LOSS GREATER BY 9.2%

Fire losses in New York City last year aggregated \$8,600,544, greater by \$722,209, or 9.2 percent than those of 1938, according to the report of Fire Commissioner McElligott. The number of fires increased from 26,819 in 1938 to 32,454 last year. Of last year's fires 161 were held to be of suspicious origin, while proven incendiary fires numbered 126. Seventy-seven persons were arrested for alleged arson, 46 being convicted.

Divided as to boroughs the fire losses were: Manhattan, \$3,317,550; Bronx, \$782,820; Richmond, \$239,615; Brooklyn, \$3,386,609,809; Queens, \$971,750. Fires in dwellings and tenements showed an increase for the year, while there was a slight decrease in factory fires; there being 1,277 of the latter, less by 108 than the 1938 record.

STEDLER WITH WEEKLY UNDERWR

William Stedler, for a number of years resident vice-president in New York of the "Insurance Field," and prior thereto connected with the business department of the "Spectator," has now become associated with the "Weekly Underwriter," as vice-president and general sales manager. Through his long connection with insurance journalism Mr. Stedler has become known to insurance people in all branches in the east.

UNPAID EARNED PREMIUMS

Unpaid earned premiums due fire and casualty companies on business in the New York City area last September totaled \$88,699, greater by \$1,609 than the amount owing for the like month of 1938. Of last year's figures, the Central Bureau reports, \$12,326 was due fire offices, and \$76,376 casualty companies. The former item showed a reduction of \$1,788 from the September, 1938, returns, while premiums due casualty offices increased \$3,397 for the same period.

MANY BIG FIRES IN JANUARY

The New York "Journal of Commerce" lists these losses estimated at \$100,000 or more, that occurred during January:

New Britain, Conn., furniture store, \$100,000; Wilmington, Del., cleaning and dyeing plant, \$125,000; Gardner, Me., storage house, \$100,000; Pittsfield, Me., garage, \$101,000; Sanford, Me., school, \$300,000; Fitchburg, Mass., clothing store, \$100,000; Lowell, Mass., seed mill, \$100,000; Quincy, Mass., gymnasium, two clothing stores, jewelry store, two beauty shops and professional offices, \$100,000; Pittsfield, Mass., four business buildings, \$200,000; Pittsfield, Mass., theatre and two apartment houses, \$110,000; Vineyard, N. J., six business buildings, \$125,000; Lawrenceville, Pa., steel plant, \$150,000; Minersville, Pa., two dwellings, \$150,000; Narbeth, Pa., \$100,000; Philadelphia, Pa., grocery warehouse, \$100,000; Vilanova, Pa., dwelling, \$100,000; Williamsport, Pa., planing mill and seven dwellings, \$400,000; Providence, R. I., school, \$100,000; Mallory, W. Va., coal tipple, \$200,000; Weston, W. Va., flooring plant, \$200,000.

Also: Mobile, Ala., boat, \$150,000; Fayetteville, Ark., business block, \$100,000; Sulphur, Ark., college hall and academy building \$100,000; Atlanta, Ga., 12 business houses, \$100,000; Augusta, Ga., department store, \$300,000; Columbus, Miss., seven business houses, \$350,000; Columbus, Miss., eight business buildings, \$200,000; Holly Springs, Miss., administration building, \$100,000; Winona, Miss.,

cotton mill, \$200,000; Childress, Tex., school, \$100,000; Houston, Liquid Carbonic plant, \$150,000; Marshall, Tex., Marshall Compress Farm, \$150,000.

Also: Chicago potato warehouse, \$100,000; Decatur, Ill., drug firm, \$150,000; East Peoria, Ill., business block, \$100,000; Kansas City, Kan., garage, \$250,000; Pittsburg, Kan., railroad shops, \$250,000; Glasgow, Ky., five & ten cent store and five offices, \$100,000; Grand Haven, Mich., garage and 65 cars, \$150,000; Amboy, Minn., four stores and pool hall, \$200,000; Kansas City, business building, \$150,000; Lamar, Mo., Ford agency building, 15 cars and trucks, \$250,000; St. Louis, business building, \$200,000; Omaha, hotel, \$250,000; Marion, O., soy bean processing plant, \$150,000; Sabina, O., tool plant, \$100,000; Sycamore, O., school, \$105,000; Blackwell, Okla., flour mill, \$100,000; Holdenville, Okla., department store, \$100,000; Memphis, lumberyard, \$300,000; Wartburg, Tenn., school, \$100,000; Milwaukee, St. Vincent DePaul warehouse and offices, \$100,000; Los Angeles oil well, \$200,000; Redding, Cal., McCormick-Saeltser block, \$250,000.

Outlines O'Malley Procedure

KANSAS CITY—Federal Judge Otis made clear in an order here that R. E. O'Malley, former Missouri superintendent, who will complete a term in Leavenworth March 18 for income tax evasion in connection with the Missouri fire rate case settlement, will continue in custody

of the federal court until the terms of his sentence are fulfilled.

Federal probation officers will take O'Malley into custody immediately upon his release, and after bringing him to Kansas City will determine whether O'Malley has complied with the terms of the second count of his sentence; the payment of a fine of \$5,000 and payment of income tax on the \$24,000 he received in the settlement. He was sentenced to two years on that count, but was paroled for three years. If he has failed to comply with the sentence, then he will be returned to Leavenworth to serve the two year term. If he has complied, he will be turned over to either the St. Louis or Jackson county sheriffs. If the sheriffs can't agree on which is to have him, then he shall be released to the St. Louis sheriff, Otis' order reads. In both St. Louis and Kansas City indictments on a charge of accepting a bribe while a public official await O'Malley.

Otis indicated that "the exclusive custody of this court and probation officers for this court will be suspended for the purpose of permitting the prosecution in St. Louis or Jackson county or in any other state court in Missouri of any indictment . . . against O'Malley and for the service of any sentence of imprisonment imposed in any such court. . ."



YOUR PERSPECTIVE — and Your Prospective

While the road ahead may seem narrower, there is just as much room as ever for the agent who will go forward. The road will be less crowded for all too many are stopped when they think they see the vanishing point.

Will Wrightem
Field Correspondent



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EDITORIAL COMMENT

Preachments from the Presidents

It would be highly enlightening and impressive, we believe, if more presidents of fire and casualty companies would accompany their annual financial reports with some observations on the times as they affect insurance, commenting on particular changes or obvious trends in the business, so that policyholders and agents would become better informed as to conditions that have a particular bearing on insurance operations. This information would be of value to stockholders also.

This is a day, in our opinion, when every possible avenue should be utilized to bring a better understanding of insurance activities to the public mind. The general managers of English companies have established the custom of utilizing this opportunity for rather extended observations on the economic and business conditions that have a bearing on their operations and tell something of the activities of their own corporations. This material is read

with great interest. Some of the executives have a particular ability in selecting the high points on which they base their reports.

Agents, stockholders and policyholders, we are sure, would lend a ready ear not only to some interpretation of the annual statement in language that they can understand, to some of the main points in the year's operations, some of the tendencies that may have a weakening effect, some of the economic and business conditions that have a particular influence on insurance. It would tend to popularize the industry.

Presidents of life companies as a rule accompany the financial report with observations of great value. They not only reveal something of the internal workings of their own institutions but spread their gaze to farther off horizons and in this way their audience gets a first-hand official view of life companies at work. It is a valuable contribution to improvement of public relations.

Fertile Decade for Slogan Makers

SLOGAN makers are conjuring with the possibilities of 1940 and the decade in most energetic fashion. Some of their compositions that have come to our notice are:

"A Fortune in the Forties."
"Fortify Your Business in '40."
"Forward in '40."

"We're 20 in '40 and Going Like 60."
"Forge Ahead in '40."
"Fairer Forties."

Now if only the business indices will follow the confident assertions of the slogan designers the forties will indeed prove to be most formidable and fortunate.

Appropriation for State Departments

WITH few exceptions most state insurance departments have not sufficient appropriation to carry on their work efficiently and give policyholders proper service. Commissioners have not adequate funds to meet the demands for capable examiners. They are forced in most instances to employ those that may be competent as mine run accountants but they do not have the capacity to go through an insurance company's books and records and interpret them intelligently. Therefore, some of the examinations are cursory and perfunctory. They are of little value in that any signs of weakness are overlooked.

A thorough going, forthright examiner is able to discern features in a company's operations that need to be changed. He thus becomes a genuine service man for the public in protecting the interests of policyholders and also is able to give a company suggestions of worth.

The U. S. Chamber of Commerce survey shows that taxes paid by the companies in 1938 were \$106,979,000, the amount not including the taxes which the insurance business pays in common with all other lines. It was the original intent of special insurance company taxes to create a fund for meeting the cost of supervision. Yet in 1938 there were allocated for the operation of insurance departments \$5,008,000. In other words, more than 20 times the amount of the expense of state supervision was collected and the over-amount went into general revenue. The survey shows that there is a fluctuation in the percentage of the amount appropriated for state supervision. In 1925 it was 3.65; in 1934, 5.39, and in 1938, 4.68.

The funds of a state insurance department should be sufficient so that examination expense should be borne by the state. Notwithstanding the great increase in taxes on insurance companies

they are still burdened with the cost of examinations which run up into large figures. One of the issues before the National Association of Insurance Commissioners today is the cost of examinations and the ability of examiners of many states. Inasmuch as the com-

panies are paying such large amounts to the state treasuries it seems perfectly reasonable to demand that a sufficient fund be allocated to the state insurance departments so that the work of supervision can be carried on in a competent thorough going way.

PERSONAL SIDE OF THE BUSINESS

T. L. Pusey of Chicago, Cook County manager of Phoenix of London, and Mrs. Pusey are en route to Florida. They expect to be away a month or three weeks.

Miss Sarah Whipple of the Dansard-Little agency of Monroe, Mich., is vacationing at Daytona Beach, Fla.

H. K. Rogers, Western Actuarial Bureau, Chicago, is bereaved by the death of his mother at Marion, Kan. Mrs. Rogers was 85 years old.

Ed. J. Hunter of the Hunter-Beebe agency of Fairmont, W. Va., has become a great favorite with the students of the Marion county schools. Twice a week he conducts a period for the county schools on wild life. He is especially well versed in the field. He is an ardent hunter and is famed as a breeder of dogs.

R. Lee Black, Des Moines, vice-president Iowa Association of Independent Adjusters, appeared on the "Hobby Lobby" radio program Sunday. He is well known in Iowa for his collection of "crash covers" of airmail disasters.

F. E. Hoffman, Jr., Missouri state agent Concordia Fire, is ill at his home in Sedalia, Mo. He probably will be confined to his home for several weeks.

Frank M. Else, Missouri state agent of the Boston and Old Colony, is confined to his home in Kansas City by illness. He will be off of the road for some time.

Charles F. Liscomb of Duluth, past president of the National Association of Insurance Agents, has now returned to his home after being hospitalized for two weeks following an operation.

Frank Franzen, vice-president of Commercial Casualty and Metropolitan Casualty, went on west after attending Pittsburgh Insurance Day Monday, visiting St. Louis and Chicago. B. L. Thomson, head of the marine department of Firemen's, went on to Chicago. Also from the head office was Herman Ambos, vice-president of Firemen's. The group had headquarters at Pittsburgh in charge of R. W. Hanke, Pittsburgh manager.

Margaret Lamphier Yates, the only daughter of Harry A. Yates, vice-president of National Union Fire, and James Kelly, Jr. of Pittsburgh and Philadelphia were married the other day. The couple is on a wedding trip in Florida. Mr. Kelly is in the contracting business.

Stanley Spragens, prominent agent of Cincinnati, is on an eastern trip, visiting Philadelphia, New York and Boston. On his way he attended the Pittsburgh Insurance Day observance, as he has done for the past several years.

John M. Thomas, president of National Union Fire, was handicapped in performing as genial host during Pittsburgh Insurance Day because he had lost his voice following an attack of

laryngitis. Mr. Thomas usually speaks in resounding tones and his friends were amazed, in addressing him, to get a reply only in a faint whisper.

DEATHS

L. E. Waggoner, Sioux Falls, S. D., and known as an insurance attorney, died there after an attack of appendicitis. The funeral was held Tuesday and was attended by the officers of the Blue Goose, as Mr. Waggoner was a member.

August F. Voigt, for 50 years a director and for 14 years president of Cream City Mutual of Milwaukee, died last Saturday. He was one of the pioneers of the company, and was a leading influence in the affairs.

T. J. Dooley, 75, vice-president Insurance Agency Company, St. Louis, died from pneumonia. He started as a broker with Roslein & Robyn. In 1904 he was made vice-president of the Insurance Agency Company, a position he held until his death.

George E. Lyon, who had an insurance company career until he retired in 1928, because of failing eyesight, died at his home in East Orange, N. J., at the age of 65. He went with Merchants of Newark in 1890, and then became state agent of Philadelphia Underwriters. He was one of the organizers of New Jersey Fire and later served as its secretary. He traveled in the northern New Jersey field for the North America and in 1925 became general adjuster in New York City for North America.

A brother, Charles L. Lyon, is manager at Newark of Niagara, and E. A. Lyon, another brother, is staff adjuster for Niagara in Newark.

M. Lewin Hewes of Hartford, 78, chairman of the board and first president of the Standard Fire of Hartford, died at his home last week.

Mr. Hewes was one of the organizers of the Standard Fire in 1909. It began business the following year and the company was sold to the Aetna Life group in 1924, he becoming chairman of the board. He was born in Baltimore June 14, 1861, and was educated at the Maryland Agricultural College. He became a clerk in the Baltimore office of Proud & Campbell in 1877. His grandfather, John Hewes, had organized the old Firemen's of Baltimore in 1925 and served as its first president until his death. Mr. Hewes went with R. E. Warfield, then district general agent of the Continental-Baltimore in 1882 and remained with him when he became district manager of the Royal in 1885. Later he was special agent of the Norwich Union and secretary of the Howard & United Fire of Baltimore. He left Baltimore in 1901 to become agency superintendent of the Scottish Union &



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National at its head office. He continued there until he helped organize the Standard Fire.

After three weeks illness, J. D. Clear of Eaton, O., deputy state fire marshal, died in Reid Hospital, Richmond, Ind. He was given credit for solving the Ohio penitentiary fire in 1930, in which 320 prisoners lost their lives. He formerly worked on newspapers in Eaton and Dayton and had made a study of fires and arson.

Joseph E. Williams, who retired about a year ago as manager of the Milwaukee city department of Northwestern National, died at his home in Shorewood at the age of 64. He went with Northwestern National in 1889 as an errand boy and thus completed almost a half century with that company prior to his retirement. He had been a member of the Shorewood school board for several years.

M. J. Hanly, 80, retired local agent, died in a hospital in Columbus, where he had been confined since Jan. 15 with a broken hip and other complications. He operated his agency there more than 40 years. Burial was at Delaware, O.

J. S. Dunscomb, 79, founder and president since 1878, of the Memphis, Tenn., agency bearing his name, died there.

Rodney P. Woods, Sr., 61, chairman of the Louisiana insurance commission and widely known in lumber and political circles, died in a New Orleans hospital.

John C. Wyckoff of Fairmont, W. Va., prominent adjuster, died suddenly Sunday morning at the Greenbrier hotel, White Sulphur Springs. Funeral services were held Tuesday.

John P. Edrington, 78, president and founder of J. P. Edrington & Co., Memphis, Tenn., agency, died after an illness of two days. He organized his agency in 1896.

Funeral services were held at the family home in Jackson, Cal., Tuesday, for Mrs. Ellington E. Caminetti, 79, mother of Commissioner Caminetti of California. Mrs. Caminetti was the widow of the late A. Caminetti, Sr., former congressman and former United States commissioner of immigration.

Charles M. Kerr, president of Farmers Fire of York, Pa., died early Monday morning from a complication of diseases that was aggravated by an attack of gripe. Funeral services are being held from his late residence at Wrightsville, Pa.

Mr. Kerr was born in Wrightsville Feb. 27, 1867. He was elected a director and special agent of Farmers Fire in 1900 and president in 1918.

His son, Charles M. Kerr, Jr., is secretary of Farmers Fire.

Mr. Kerr was chairman of the executive committee of the American Reinsurance Exchange. He was a leader in his section and was president of the York Water Co., president of York hospital, director of York National Bank, and of Pennsylvania Gas & Electric Co. He was a past president of the York Manufacturers Association.

L. H. Amer, 77, for more than 50 years a resident of Akron, O., and well-known fire insurance man, father of A. J. Amer, now an Akron local agent, died there.

Edwin Barnard, 89, for 25 years a local agent in North Adams, Mass., died there a few days after announcing his retirement from business.

John Kluber of Chicago, who died the other day at the age of 85, was the father of George Kluber, Illinois and Wisconsin state agent of the Meserole companies.

General's Los Angeles Meeting

LOS ANGELES—The General of Seattle group held its southern California convention in Los Angeles with 395 in attendance. President H. K. Dent spoke on "Selling;" H. C. Brown, manager automobile department, Los Angeles, on "Insurance Forms and Medical Reimbursement;" W. L. Miller, San Francisco, on the "Profit Motive Institute," and Lloyd C. Strong on "Fire Insurance."

According to PHIL

By Phil Branniff
 Insurers Indemnity &
 Insurance Co., Tulsa



George Washington's birthday is an event of rejoicing. History, somewhat distorted by legend, tells us that George Washington never told a lie. But George Washington never played golf . . . and I wonder what he'd do about describing the fish he caught on his vacation . . . or just suppose he went to a stag party and came home with rouge on his collar . . . you don't suppose he'd say, "Martha, I cannot tell a lie . . . it was that blonde from Boston . . ." do you? No sir, he'd probably yell "frame-up!" or say "we were balancing the books and the red ink was terrific!"—or sum'p'm . . . anyhow, the truth would get him 10 days in the dog house on bread 'n water.

Sometimes it's hard to keep from telling a lie . . . like if one of your best customers asked you did you want to dance with his sister and after taking a look at her you had to lie into it or out of it . . . or maybe you get into one of those bar room contests about how many miles your car gets per gallon and you pinch down the carburetor and let out on your conscience until the old bus quits chugging along at its usual eight miles per gallon and starts purring conversationally at about 17 miles to the gal.

Then there's your golf game . . . and the guy who tells you he's good for a 91 when you saw him shoot an 82 . . . so you boost your 81 to a 92 without any pangs of conscience and you're both happy until the game's over. And there's the burned spots in your carpet and the highball stains on the table when your wife comes home from her trip . . . what're you going to do . . . tell her the truth 'n run or have one of your pals come out and make like he's a furniture inspector 'n tell her it's a clear case of galloping-fungus or piffitts, as the Chinese say. (I think they say it to the Japs.) Anyhow, lyin' is bad business. It's caused a lot of trouble in this world. Lies have caused more pain than any other weapon could have done. Wars have been started . . . homes wrecked . . . reputations ruined . . . by lies. Just a gossip little story about the person next to you may travel from lip to ear until it becomes a vicious lie and somebody gets hurt. The only time a lie is justifiable is when you look out the third story window and realize you've got to lie or jump. What would you do in a case like that? So would I!

PHIL

Jan. Losses 31% Greater Than Same Month Year Ago

The National Board estimates that the fire losses in January were \$36,260,650 which was the largest amount for any month since 1932. This estimate was not surprising, as every company suffered a heavy increase in losses during the month, running as high in some companies as double the loss for the same month in 1938. The severe cold spell that spread throughout most of the country, including the south, is blamed for the record. The January losses were 31 percent greater than for January, 1939 and they were 30 percent more than the total for December of 1939.

The losses for January, 1938, were \$27,676,337; January, 1939, \$27,615,316. For December, 1939, the losses were \$27,959,200.

L. D. Brill, secretary-treasurer Northwestern Mutual Fire of Seattle; J. J. Beall, vice-president in charge of territory east of the Rocky Mountains, and H. W. Schnell, executive vice-president and director of operations in the western area and Canada, have been elected directors.

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The NATIONAL UNDERWRITER

February 22, 1940

CASUALTY AND SURETY SECTION

20C

Auto Accident Toll Up, Bad Liability Experience Feared

Bad Weather Probable Cause, 1939 Improvement Fell Off at Close

NEW YORK—An upturn in the automobile liability loss ratio is feared for this year. There was an increase of 11 percent in motor vehicle fatalities in 148 major cities for the first six weeks of 1940, according to a report made by the Bureau of Commerce in Washington. A jump of three percent was made in the sixth week, due probably to inclement weather and slippery roads throughout the east and south. The usual claim experience of companies during a week of storm shows many accidents during the first two days, a drop to average for the next three days and a material increase during the last two days. A psychological explanation of this is that by the third day drivers have become accustomed to bad road conditions and drive with more care, but by the end of the week they have become so used to the slippery roads that they abandon their caution.

Snow Storms Cause Accidents

The recent snow storms in New England and the east have undoubtedly caused many accidents, but exact figures are not yet available. Probably there will be many claims under the comprehensive policy for damage to cars by snow and ice. This is included in the comprehensive coverage, but up to now there have been comparatively few claims for this damage.

Saving Dwindled in 1939

The accident record of 1939 shows that in the first three months there was a decrease of 12 percent in motor vehicle fatalities. At the end of the first six months the decrease had dropped two percent and by the end of the first week in October it was eight percent. The final report for 1939 showed a decrease in fatal accident of only four percent over the previous year. The survey on which these figures are based was made in 135 major cities in all states. According to this report there were more deaths in the larger cities such as New York, Chicago, Boston, Cleveland and Los Angeles, although insurance company records show a greater number of accidents on country highways.

Loss Increase Expected

Claim men generally feel that there will be an increase in losses this year, due to the unusually bad weather throughout the country. In localities where such conditions usually prevail in the winter, drivers are more experienced and consequently more cautious than those not used to icy and snowy roads.

Q. & A. Period at Pittsburgh Progress Is Made on Comprehensive Liability Form

A highly successful adaptation of the question and answer idea was presented during a two-hour period Monday in connection with the observance of Pittsburgh Insurance Day. Each member of the audience of about 400 was given a number for his lapel as he entered the room. A panel of experts in various lines was seated at a long table in the front. Frank A. Meisel, North British & Mercantile, who is president of the Smoke & Cinder Club, conducted the session in spirited and competent style. By his side was a stack of 50 silver dollars, a bowl containing numbers and another bowl containing questions.

Mr. Meisel would draw a number and the person with that number on his lapel in the audience stood and gave his name. Then Mr. Meisel drew a question. If the man whose number had been drawn gave the correct answer he went to the front of the room and collected a silver dollar. If he gave the wrong answer, another number was called and if the second man could not give the right answer, the answer was read by one of the judges.

Questions Well Conceived

The questions in the main were well conceived. The audience consisted of company executives of various branches of the business and local agents. Many of the questions could be answered by those with a general understanding of insurance even though the question might pertain to surety and might be addressed to a fire insurance vice-president. The audience was most attentive and everyone agreed that considerable benefit was derived from the session. There was enough merriment caused to add to the interest.

The panel of experts consisted of J. R. Wilson, assistant cashier of Travelers in Pittsburgh; C. J. Hammer, Pittsburgh manager of Fidelity & Casualty; A. C. Supplee, Pittsburgh manager United States Fidelity & Guaranty; J. D. Hall, assistant agency director U. S. F. & G.; J. J. McGovern, Pittsburgh manager Fire Companies Adjustment Bureau; George F. Laws, inland marine special agent of North British & Mercantile; P. J. Mullen, state agent of Phoenix Assurance; A. J. Huneke, inland marine manager Eagle Star; P. M. Simmerman, Pittsburgh claims manager of New Amsterdam Casualty; R. N. Caverly, vice-president Fidelity & Casualty; A. C. Feagan, Pittsburgh manager Inter-Ocean Casualty, and W. B. Cornett of Columbus, O., superintendent of agencies of Loyal Protective Life.

Samples of the Questions

Here are some of the questions and the answers that were judged to be correct:

Does payment of first aid deprive an assured of his safe driver reward credit under the automobile P.L. and P.D. policy? Answer: No.

What is twisting? Answer: Twisting is causing an assured unnecessarily to change his insurance through misrepresentation or other unfair or undue influence.

For how long may a workmen's compensation policy be written? Answer: One year.

Does a fidelity bond cover loss of merchandise as well as money? Answer: Yes.

What are the two general classes of marine insurance?

Answer: Inland and ocean.

What Is Holdover Official

Under an official bond, what is a holdover official? Answer: One that is re-elected or reappointed for another term.

Within what period must a marine company pay an adjusted claim? Answer: Thirty days.

If property is insured by several fire companies, how is the liability determined? Answer: Pro rata share.

When, if ever, is an accident and health policyholder over insured? Answer: When the total indemnities exceed 80 percent of the average earnings.

What is the purpose of a fiduciary bond? Answer: To guarantee faithful performance of duty of a fiduciary, who is one who handles property in trust for another.

What cause of breakage is not covered by a plate glass policy? Answer: Fire.

Name the perils not covered in an inland marine policy. Answer: Gradual deterioration, moth, vermin, wear and tear, confiscation, military invasion.

Reinstatement of A. & H. Policy

An agent accepts a premium for a lapsed accident and health policy. The assured is killed the next day. Is he covered? Answer: Yes unless it is stipulated that the premium is to effect reinstatement at a specific future date.

Why do most companies dislike to write automobile public liability without property damage? Answer: An accident might at first seem to involve only property damage and the assured would not report the accident to his insurer if he carried only P.L., but it might develop that there was a P.L. claim later and the insurer would not have been put on notice immediately.

Is it permissible to use a private passenger car for occasional commercial deliveries when the vehicle is insured as a passenger car? Answer: Yes, provided no alterations are made in the body of the automobile.

When may fiduciary bonds be canceled? Answer: When the trust is completed and the court so orders.

Effect of Assured's Death

For how long after the death of the named assured is coverage extended under the public liability policy to the estate without endorsement? Answer: Thirty days.

When did the standard fire policy become effective in Pennsylvania? Answer: It was adopted by the legislature in 1915 to go into effect Jan. 1, 1916.

If an applicant states that he is a billing clerk where as a matter of fact he is a filing clerk, would this relieve the insurer of liability under an accident and health policy? Answer: No.

(CONTINUED ON PAGE 35)

Progress Is Made on Comprehensive Liability Form

Gillet Views Difficulties Involved in Pittsburgh Insurance Day Talk

PITTSBURGH—More rapid progress is now being made in the development of a comprehensive liability policy and the conference committees are expected to publish the proposed contract in the near future, J. McC. Gillet, vice-president Maryland Casualty, reported in his talk on Pittsburgh Insurance Day.

The comprehensive policy marks the advent of a new precept in the liability field, Mr. Gillet said. The intent is to provide a means of insuring all loss to which an assured might be exposed in the conduct of his business. The essential character of the present liability policy is retained but the source of loss is not limited to any prescribed situation. All functions incident to the conduct of the insured's business are within the scope of the coverage.

Unknown Hazard Element

This introduces another element not heretofore contemplated to any appreciable degree in a liability policy, namely—the element of unknown hazards. This element takes account of the chances that liability coverage will be encompassed in a comprehensive form of contract which in the ordinary liability policies has evolved into a sort of "no man's land"; half way between the coverage and the non-coverage zones.

In order to devise stabilized rules and practices a number of problems present themselves. Statistics have been collected on different bases, and one of the problems is how to base the premium charge without scrapping the experience of many years. It was decided to continue the use of the various bases in the development of the premium. Then followed the problem of expressing it in the policy. The contracts of most companies show a schedule of the various units of exposure and rates applicable to such. Some thought that if the comprehensive policy contained all of these provisions it would make a cumbersome contract. The aim has been to keep the language down to a minimum. On the other hand, as this contract would be issued upon an estimate of the various exposures, an adjustment would have to be made following expiration.

Must Give Idea of Cost

However, a contract could not be delivered to the assured on this basis without giving some idea as to ultimate cost. It was finally decided to leave it to the option of the companies whether this feature should be included in the policy itself instead of separately by

(CONTINUED ON PAGE 27)

State Supervision Strongly Upheld by Illinois Federation

At the annual meeting of the Illinois Insurance Federation in Chicago this week a strong resolution upholding state supervision of insurance was presented by Gail Reed, a well known broker. It was unanimously adopted and reads:

WHEREAS, An investigation of life insurance by the Temporary National Economic Committee through the medium of the Securities & Exchange Commission is now in progress and the belief is growing in many quarters that an attempt may be made to use the results of this investigation as a basis for legislation seeking federal supervision and eventual control of all insurance, and

WHEREAS, State supervision of insurance has been in effect for many years, during which time it has been steadily improved and developed to a high degree of efficiency in providing ample protection to policyholders or their beneficiaries, thus leading to our belief that any needed improvement or correction of practices under existing supervision can be best effected with greater facility through the individual state departments rather than under regulation by any federal bureau or other agency, since the insuring public can more readily initiate corrective legislation, to effect quickly the solution of any problems that may arise with respect to insurance in their own particular localities, and

WHEREAS, Both the insured and their beneficiaries, as well as the insurance companies are primarily concerned in obtaining and in providing dependable insurance at the lowest possible cost, and such protection should not be burdened with the additional and unnecessary expenses of any direct or indirect federal supervision replacing, supplementing or superimposed upon the present methods of effective state supervision, and

WHEREAS, This organization does not oppose any fairly conducted fact-finding investigation of the insurance business not made for the purpose of providing a ground work for federal bureaucratic control, and

WHEREAS, This organization, as the record of past years will evidence, has believed in and supported constructive legislation for the effective and efficient supervision of insurance to assure the largest measure of protection and service with the intention to ultimately reduce the cost to the insuring public, and

Declaration of Principles

WHEREAS, This 20-year-old organization is comprised of representatives from every field of insurance in the state of Illinois, and it appears timely and pertinent that a declaration of the federation's position and principles be given on this subject, which can so gravely affect the savings of thousands of Illinois policyholders out of some 60,000,000 nation wide holders of life insurance policies, and the entire structure of insurance,

RESOLVED, By the Insurance Federation of Illinois, in annual meeting assembled, that

(1) We hereby express the affirmative conviction that state supervision of insurance holds at its disposal the factors necessary to the efficient and effective regulation of insurance, and that it is thereby closer to the people and more amenable to reform or improvement when needed.

(2) We hold the unalterable belief that the vitally important position which insurance has established through the years in providing protection, security and credit, is unimpeachable proof of able company management and thoroughness of state supervision;

(3) We are definitely of the opinion that any attempt, partial or otherwise, at federal supervision, replacing, supplementing or superimposed over that of the state can only lead to substantial

Garlock Twins Pursue Parallel Insurance Course

An interesting insurance parallelism is found in the twin brothers, Emery and Emmett Garlock. Both of the brothers just recently went with American Guarantee & Liability, the new Zurich affiliate. Emery is in charge of the boiler and machinery division at Pittsburgh and Emmett is in the Chicago head office boiler division. Both previously had been with Royal-Eagle-Globe Indemnity for six years. They went with that company the same day. Emery was supervising engineer at Pittsburgh and Emmett at Cincinnati. Both are skilled engineers and in addition have ability in the sales end.

Their early years were spent in Youngstown and Warren, O. Their appearance and mannerisms are so identical that their own children are often confused as to which is the uncle and which the father.

increased cost to the assured and the taxpayers, accompanied by red tape complications that go hand and hand with bureaucratic control, and leading to unavoidable conflict with state regulation, all to the bewilderment of the purchaser of insurance and to the insurance industry, alike;

(4) We hereby record our continuing faith in the American insurance agency system which has been so largely responsible for building up the most valuable structure ever devised for the protection and security of our people's economic life, and hereby voice our strenuous opposition to any attempt at insinuating or thrusting the federal government into the insurance business, such a step being opposed to the traditional American way established on the free exercise of individual initiative, the free use of privately controlled capital and free competitive enterprise; and

RESOLVED, That a copy of this resolution be sent to both the United States senators and to all representatives from Illinois in Congress.

Chicago Broker Sues for \$1,000,000

A \$1,000,000 damage suit involving product liability has been filed by Merritt R. Laubenheimer, Sr., prominent Chicago broker, on behalf of his son and himself, against the Pittsburgh Plate Glass Company and the De Soto Motor Corporation. Mr. Laubenheimer is housed with Conkling, Price & Webb, Insurance Exchange, Chicago.

Last fall he was in his automobile traveling on a highway near Kenosha, Wis. In the front seat with him was his 4-year old son, Merritt, Jr. A pheasant flew up from the road, hit against the car windshield, shattering the glass and severely injuring the child. So seriously was the child injured that he probably will be disfigured for life and from all indications will need medical attention for some time.

Among other things the complaint alleges that the windshield glass in the car, driven and owned by Mr. Laubenheimer, was represented as shatterproof safety glass, such representation being made when the car was sold. It is largely upon this that Mr. Laubenheimer bases his suit.

Thus it can be seen that suit is not merely an effort to secure damages for injuries received, but involves the guarantee of a manufacturer and a motor company.

Mr. Laubenheimer is seeking \$500,000 damages and also \$500,000 on behalf of his son.

The case has been assigned to Judge Holly in the federal court in Chicago. Representing Mr. Laubenheimer is the law firm of Kennedy & Fischer. M. B. Kennedy represents the Detroit Auto Club's insurance carrier.

Final Action on Mass. Indemnity Is Deferred to Feb. 23

BOSTON—The Massachusetts Accident was declared insolvent by Justice Lummus of the Massachusetts supreme court in an all-day hearing but the court empowered Commissioner Harrington as receiver, to continue the company in the writing of new business under certain conditions.

Justice Lummus rejected the plan for reinsurance of the Massachusetts Accident by the Union Mutual Life of Portland, Me., as submitted, on the ground there was no provision fixing definitely the cash to be paid a non-assenting holder of a non-cancellable policy. A further hearing was set for Feb. 23 on this angle of the case.

Justice Lummus, at the outset of the hearing, inquired whether it was the wish of those appearing in the case that the company should be liquidated as admittedly insolvent, should be continued under the proposed plan of reinsurance, or some other plan. He also asked whether the company should be allowed to continue writing business if a plan of continuance could be agreed upon.

Counsel for certain policyholders, who have taken exceptions to the readjustment of their non-cancellable policies under the commissioner's plan as temporary receiver, were at variance with the plans of the company officials and the commissioner.

May Continue Writing Business

Justice Lummus finally gave an interlocutory decree in which he adjudged the Massachusetts Accident insolvent but held that, notwithstanding said insolvency, the company might continue to write policies until and including Feb. 23, provided that premiums on business written in the interim be segregated for the purpose of discharging any liability for losses which may occur on these policies.

Coming to the question of reinsurance, Justice Lummus ordered a further hearing Feb. 23 on whether some plan for offering policyholders policies in some other company, as an alternative to the value of their interest in the assets of the company on liquidation, shall be accepted by the court, or, on the other hand, the company's business shall wholly cease and its assets be liquidated and distributed.

Commissioner Harrington's appointment as temporary receiver last August was made under a new rehabilitation law passed by the recent legislature. Counsel for certain policyholders contended that the act was unconstitutional and further contended that because the act lacked an emergency preamble it could not become effective until 90 days after it was signed by the governor, whereas Harrington was appointed temporary receiver under the act a few days after it was signed.

Commissioner Harrington applied last week for reappointment as receiver and the officers of the Massachusetts Accident having ratified his acts while acting as temporary receiver, Judge Lummus appointed him permanent receiver for the purpose of liquidation, his powers and duties in that capacity to be the same under the former appointment, except as modified by the new decree.

New Acquisition Cost Committee

SAN FRANCISCO — The new governing committee of the casualty acquisition cost conference includes W. B. Swett, Pacific Indemnity; B. G. Wills, Fireman's Fund Indemnity; H. J. McCauley, Indemnity of North America; E. C. Porter, U. S. F. & G.; L. H. Armstrong, Travelers, and L. R. Swezey, Globe Indemnity. Rollo E. Fay was unanimously reelected chairman. The southern California members of the committee will be elected Feb. 27.

Round Table Session Creates Interest

NEW YORK—So successful did the round table discussion which featured the February meeting of the Accident & Health Club of New York prove that W. T. Hammer, of the Commercial Casualty, president, who conceived the idea, plans like discussions at future gatherings.

Subjects considered at the meeting related to underwriting and claim experience, disability benefits in life company policies and the extent to which consideration should be given to them when reviewing an application for accident and health indemnity and the attitude of different casualty companies toward duplication of coverage, particularly as respects medical reimbursement.

Commonwealth Mutual Liquidation Nearly at End

BOSTON—Receivers for Commonwealth Mutual Liability which failed three years ago have made an unusually quick cleanup of its affairs and have now turned in their final report.

The receivers were faced with some 5,000 open claims. The amount asked for was \$1,725,000 personal injury and \$70,000 property damage. The receivers eliminated \$1,065,000 in claims, leaving only \$730,000 to be settled. On this amount the receivers were able to pay a 25 percent dividend. A balance of \$39,613 remains.

The receivers were paid \$5,000 each and there were other legal expenses of \$5,000.

Plan Fidelity-Surety Talks for Mich. Regional Meetings

DETROIT—An ambitious educational program on surety and fidelity coverage for Michigan agents has been prepared by H. C. Megrew, associate manager Fidelity & Deposit and chairman of the educational committee of the Surety Association of Michigan, with the cooperation of the Michigan Association of Insurance Agents.

In place of the several mass meetings at key points that constituted the program in the past, Mr. Megrew has arranged for a large series of small section meetings in conjunction with the Business Development program for the state this spring. The Surety Association conducted two clinics at the agents' midyear meeting in Lansing last week, one on fidelity presided over by Mr. Megrew and the other on judicial bonds by Walter Lewis, vice-president Michigan Surety, at which the wealth of material collected for this purpose was tried out, and from the results of which standardized talks will be prepared for delivery by members of the surety educational committee at the series of 35 to 40 zone meetings.

L. C. McGee, district manager Aetna Casualty, Minneapolis, had brought home to him the other day the value of burglary insurance. While visiting his wife, who is in a Minneapolis hospital, someone entered the McGee home and ransacked the place quite thoroughly but a checkup by Mr. McGee showed only a pair of new gloves missing. He was protected with a \$25 deductible policy which lets the carrier out in this case. The burglary did not interfere with Mr. McGee's trip to Biloxi to attend the Aetna conference there.

E. C. McGriff, special agent of W. H. Blackburn & Son, Indianapolis, general agents Paul Revere Life, suffered a skull fracture in an automobile collision near Greenfield, Ind. He was taken to an Indianapolis hospital where his condition is considered serious.

Charles T. Warner, former Ohio superintendent of insurance, has announced his candidacy for the nomination for common pleas judge in Columbus.

Peculiarities of Wis. Law Traced by O. B. Sullivan

Members of the Madison, Wis., Board of Casualty & Surety Underwriters heard an enlightening talk by O. B. Sullivan, attorney in Milwaukee for Aetna Casualty, on the automobile liability contract, what it accomplishes, and how it operates.

Approximately 75 percent of the 28,000,000 automobiles and trucks in this country are uninsured, and it is estimated that \$3,000,000,000 in automobile premiums are yet unwritten; and a proportionate share of this amount rests on the doorstep of each agent and constitutes a challenge to his ability as a producer, the speaker said. The total economic loss arising out of automobile accidents approximates \$1,750,000,000 per annum, and the estimated insurance settlement arising out of automobile accidents is but \$500,000,000.

Follows the Policy

Mr. Sullivan broke down the automobile insurance policy in its various phases, and by taking an example, described the method and the manner in which the policy followed the car and its operator out on the highway, protecting him against the hazards of the road, into the court room, defending him against the financial hazards of litigation, and finally paying any judgment rendered against him within the limits of the policy issued to him.

The peculiarities of the Wisconsin law were applied to a hypothetical automobile accident, and the liability of the respective operators to themselves, to the passengers in both automobiles, and to innocent third parties free from negligence was described. The comparative negligence law, Sec. 331.045 of the Wisconsin statutes, provides that contributory negligence is no longer a bar to recovery, and that as between the operators of the automobiles, the party guilty of the lesser degree of negligence recovers his damages, less the percentage that his negligence bears to the accident. This pro rata recovery by the operator guilty of the lesser degree of negligence has no application, however, to claims of persons other than the operators who are free from any lack of ordinary care for their own safety.

Joint Obligors Act

It is the joint obligors act, Chapter 113, that applies to such claimants, and this section of the law affords them a joint and several remedy, and permits them to sue either or both of the operators involved in the collision that produced the injury or damage complained of. In other words, the issuance of an automobile liability contract in Wisconsin many times operates as insurance on both automobiles for the one premium charged. Regardless of the percentage of negligence of an insured operator, his liability is 100 percent to all persons injured who are themselves free from negligence. The financially irresponsible operator who is guilty of the major percentage of the negligence is too often permitted to go forth without being forced to account, and the financial responsibility law is dedicated to barring this man from the highway unless and until any judgment secured against him is paid, and the liability under such judgment can not be avoided by a bankruptcy.

The imputed negligence doctrine which provides that the negligence of an operator can not be imputed to the occupants of a car, likewise permits a complete recovery by the passengers in an automobile which was grossly mismanaged by its operator, to sue the driver of the other car and prevail by reason of the fact that the negligence of the other driver can not be imputed to them.

Following the discussion, Mr. Sullivan

Presided



WILLIAM A. DOYLE

W. A. Doyle of Highland Park, president Michigan Association of Insurance Agents, presided over the mid-year meeting held at Lansing last week, which included a short educational course.

Trail of Neblett Case in Los Angeles Drags Along

LOS ANGELES — When the hearing of the Col. Wm. H. Neblett suit to upset the rehabilitation of Pacific Mutual Life, was resumed, the plaintiff questioned the jurisdiction of the court on the voting trust, although he did not say he believed the court lacked jurisdiction, but left it open for determination later. He said he was ready to prove that the fraud, insolvency and conspiracy allegations were kept out of the proceedings before Judge Willis, although he had made efforts to have them litigated.

The court informed him it was not interested in whether the facts had not been presented, but was interested only in the legal position at this time. The court also ruled that it would not go into the reporters transcript of the 1936 proceedings at this time.

Neblett continued his argument until court closed, citing cases and answering questions from defense council.

During the day Judge Vickers informed counsel that he had just learned his sister, Mrs. Louise V. Barrett, was a stockholder of the old company.

Perry Price of Commissioner Caminetti's counsel declared that Neblett's argument was based on a false assumption, and said it had been established by the court that the old company was insolvent and Commissioner Carpenter had the right to seize it; that when the company is insolvent he must plan in advance what to do and is entitled to consult the officers of the old company. He took the stand that the collaboration of Mr. Carpenter and the officers of the old company was not actionable as conspiracy.

The court said he had been informed of the death of Neblett's mother, Mrs. L. H. Neblett, in Baltimore, and then adjourned court.

invited questions, and a round table discussion of some of the issues took place.

Mr. Sullivan will speak at Elkhorn, Wis., March 5, before the Walworth County Association of Insurance Agents, on the same subject.

Bart Swearingen, formerly manager of the bonding department in the San Francisco office of the Aetna Casualty, who was recently promoted to secretary at the home office, was a Los Angeles visitor.

Stockseth Gives Tips on Elevator Inspections

The necessity of an engineer having a good technical and practical knowledge of the many types, arrangements and makes of elevators manufactured in the last 40 years was emphasized by George Stockseth, engineer in charge of elevator inspection for Continental Casualty, Chicago, at a meeting of the Casualty Engineers Association of Chicago.

Mr. Stockseth spoke on "Safety Engineering as Applied to Elevators."

"With such knowledge, it makes it rather easy to approach the insured and impress him, thereby gaining his confidence," Mr. Stockseth said. "I have noticed that the average person is very curious about elevators and looks at them as something very mysterious."

"If you can explain some of the safety features not visible, even to the extent of making a sketch to convey your point, you will find him thinking and talking safety."

"On your initial inspection your first duty should be to study each elevator, its performance, speed, maintenance, supervision of the operator, passengers and their actions, shaftway doors and other pertinent points."

Make Recommendations Carefully

"When making recommendations it is well to consider ways in which the assured can be saved money and not subjected to costly repairs or adjustments."

"For example, I once inspected a building on Chicago's gold coast, 13 floors high, consisting of duplex apartments, each apartment probably having 10 or 12 rooms with two to three baths and renting for a considerable amount of money. There were two passenger elevators operated by uniformed men with service de luxe. Each elevator was operated by a car switch with shaftway doors of the swinging type and not equipped with door interlocks."

"It was observed that the operator had to leave the car switch unprotected in order to open and hold the shaftway doors until passengers left or entered the car. The natural recommendation would be to request door interlocks which would cost about \$100 per door, and at the same time mar the appearance of doors and jambs. The entire cost would be about \$2,500, a prohibitive amount considering that this condition had prevailed for the last 20 years. Another recommendation would have been to provide a collapsible gate with contact. This would be undesirable because it would spoil the appearance of the inside of the car with its paneling and other fixtures, and at the same time would cost about \$400 per car."

"After some consideration, I requested that a spring return switch be provided under the carpeting on each elevator. To operate the car the operator had to step on this button before it could run. This prevented the possibility of accidentally moving the car's switch lever, while others were leaving or entering the car. The cost was only about \$40 per car."

Look Forward to Penthouse Visit

Mr. Stockseth said when making a regular elevator inspection, in addition to noting the physical defects such as cables and doors, riding the elevators several trips and observing the ease and accuracy of the stops, the safety engineer should look forward to entering the penthouse. Here again care must be exercised in making recommendations. If there is a decided slide, usually the first thought is to reline the brake shoes. This is not always the case, as several other causes may have effect on slippage such as glazed lining, the brake magnet not opening far enough, the several king pins and their bearings may be worn, or the V-grooves having worn to the extent that they are round.

Also where V-groove traction elevators are concerned, it has been found that the best traction is with a groove of 29 to 30 degrees for long life of cables. If the groove is less than this the cable seems to labor trying to get in and out of grooves. V-traction is the result of surface contact and pinch with pressure. The ideal arrangement is when cables lead directly from car to the driving drum and then to the counter-weight giving a traction of 180 degrees. However, on most elevators it is necessary to deflect the cable in order to reach the counterweight which decreases the contact surface. Good elevator engineering limits this condition to not less than 135 degrees.

For long life of cables it is generally accepted that the gross diameter should be 40 to 50 times the diameter of the cable. Under this condition, especially on slow speed elevators, it will be found in many installations that the drum is much larger than the gear. This works against the law of leverages, causing a considerable thrust on worm as well as a rocking motion of the drum. With little wear in gear, even though the worm is rigid, it will show a decided strain on the keyway of the drum shaft. This rocking motion gives a jerking strain on cables and sockets. On an average installation, especially where the centrifugal type is used, it is impossible to determine if the governor will operate at the proper speed.

Check Cables

By this is meant although the governor appears to be all right even to the point of testing the spring tension there is doubt. Because of the unknown condition of speed governors the cable should be renewed when four wires bunched together in one strand are found. When checking cables on most installations it is necessary for the inspector to ride the top of the car in order to watch that part of cable that rides next to the drum and sheaves. In an overhead drum type elevator the only place the hoist cables can be checked is in the penthouse with the aid of a magnifying mirror and a flashlight.

It is an established fact that 90 percent of all elevator accidents occur at the door. Mr. Stockseth said "I believe that all elevators should be provided with door interlocks and car gates with contacts. Of the many types of interlocks the type that is both electric and mechanical should be used. In addition to the electrical contact which stops the car when the door is opened a mechanical feature should be provided whereby the door cannot be opened unless the car is at that floor."

"In many freight elevators especially those installed a few years back there has been considerable door trouble. Engineers must continually stress the point of keeping them in working condition. It is suggested that door latches be checked. A device that operates doors semi-automatically should be watched and a brake of some kind provided to stop the slam."

State Farm Wis. License Upheld

MADISON, WIS. — Right of the State Farm Mutual Automobile of Bloomington, Ill., to do business in Wisconsin under the license granted by former Commissioner Mortensen last July was upheld by the Dane county circuit court. The State Farm Mutual of Madison had upheld a writ of alternative mandamus to force the former commissioner to show cause why he should not cancel or revoke the license. Judge Crosby, who heard arguments on the petition, held the insurance commissioner is a quasi-judicial officer, endowed with discretionary rights, and as such, Mortensen could not be forced by writ to perform discretionary acts.

Skin Diseases a Big Factor in Occupational Cover Losses

Although statistics indicate that only 10 to 12 percent of all skin diseases arise out of and in the course of employment, Dr. L. F. Weber, assistant professor of medicine University of Illinois, Chicago, told the Casualty Adjusters Association of Chicago that occupational dermatoses constitute 65 percent of that group. From past experience it can be assumed that 1 or 2 percent will suffer with occupational dermatoses.

Dr. Weber said that many employers erroneously assume that occupational diseases of the skin cannot happen in their industry. For this reason considerably more publicity should be developed concerning occupational dermatoses. The public at large should be informed through newspapers, special magazines and public lectures. Workers with the greatest hazards should be instructed on preventive measures.

Many Causes of Skin Disease

Dr. Weber said the causes of occupational skin diseases are predisposing and actual. He defined "predisposing" as conferring a tendency to the disease and this includes age, sex, season of the year, other diseases of the skin, cleanliness, race and sweating. The predisposing causes are few and unimportant compared to the actual. The actual causes are worth considering from an employment standpoint in hazardous occupation. The six important causes are heat, cold, radiation, friction, pressure, electricity, biologic and chemicals.

For example, bakers, pastry cooks, and blacksmiths are exposed to heat over long periods of time, causing irritation to the skin. The discolored eruptions and marblings of the skin which result from long repeated or continued exposure to moderate heat are readily recognized.

A slight frost is known to roughen and chafe many skins supposed to be normal. Fish-salters who stand several hours in icy water experience dystrophic-atrophic dermatoses.

X-Ray and Radium a Cause

Skin diseases are some times caused by x-ray or radium. Several years ago Dr. Weber examined a group of men suffering from acute x-ray changes of the skin following the use of a fluoroscope. The fluoroscope is being used more in industry and in this instance it was used to determine if nails were properly placed in the heels of shoes.

Friction will some times determine the onset of skin irritation in a particular occupation. Friction increases the thickness of the skin of the palms. It is a common observation that one rarely finds occupational dermatoses of the palms where sweat and grease are plentiful.

Silver plated cornets cause very dry, fissured lips as a result of the long repeated pressure of the instrument on the player's lips.

Electric burns are painless and aseptically. They are seen in various workers, especially linemen.

Bacteria, Fungi Are Causes

Bacteria, fungi and animal parasites frequently cause skin diseases. The bacterial changes are not primary but they do at times infect wounds and other skin lesions. The principal bacterial infections of the skin are pus infections of industrial wounds, boils and folliculitis. Fungus infections are such as Monilia infections, occurring on the hands of fruit packers, ringworm in bath attendants and workers with animals or their hides. Parasites, such as those which cause grain itch, straw and ground itch are also active.

The chemicals, including plants, are the most frequent causes of occupational diseases of the skin. The chemical irritants can be divided into two groups, those that irritate the normal

skin and those that irritate skins of certain hypersensitive individuals. Inflammation in the first group is caused by strong acids, alkalis, metallic salts, primary irritants. The others are hypersensitive individuals in whom a specific cutaneous sensitivity is the underlying factor—allergic persons.

Under most occupational disease legislation, both types are entitled to medical care and compensation.

Industries Listed By Dr. Weber

The leading industries in their respective order as the cause of industrial dermatitis are: Metal industries, 30 percent of all cases; domestic and personal service, 10 percent; food industries, 7 percent; cement, glass and pottery, 6 percent; chemicals, 6 percent; leather and furs, 4 percent; paper, printing and allied industries, 4 percent; building and construction, 3 percent; clothing and textile clothing makers, 3 percent; rubber industries, 3 percent; laborers, 2 percent; transportation, 1½ percent; molders and workers in plastics, 1 percent; farmers, florists and gardeners, 1 percent, and furniture, 1 percent.

When the average patient is first affected with visible signs of an occupational dermatitis, his appearance on examination in a few cases does not offer a clue to the injury. The distinction is most difficult. Most cases of occupational dermatitis develop in new employees or those exposed to a new irritant and are usually mild in character.

U. S. F. & G. Honors Tampa Agent

United States Fidelity & Guaranty tendered to J. C. McKay of Tampa a dinner the other evening on the 35th anniversary of Mr. McKay's representation of U. S. F. & G. It was a most congenial family party, with a number of head office executives on hand, together with two U. S. F. & G. branch managers who were vacationing in Florida. The toastmaster was W. H. McBryan, Detroit manager.

Philip F. Lee, agency vice-president U. S. F. & G., presented a silver water pitcher to Mr. McKay and Fidelity & Guaranty Fire presented to Mrs. McKay a bouquet of 35 roses.

In addition to Mr. Lee and Mr. McBryan the company was represented by Harry F. Ogden, vice-president of Fidelity & Guaranty Fire at the head office; Will Love of Atlanta, field supervisor for the southern direct writing agents; W. A. Smith, Atlanta manager, and Mrs. Smith, and W. O. Schilling, Chicago manager, and Mrs. Schilling.

Associated with Mr. McKay in the agency are his three sons.

Safety Men on Circuit

Several staff members of the National Conservation Bureau, accident promotion division of the Association of Casualty & Surety Executives, are on field assignments. J. J. Hall, street and highway safety director, is conferring with officials of three states on safety programs. He was at Lansing, Mich., on Feb. 21, and goes to Madison, Feb. 23 and Des Moines, Feb. 26. While in Des Moines he will attend the midwinter state conference of the American Legion.

H. F. Hammond, traffic division director, will conduct a 10-week course on traffic engineering each Thursday afternoon beginning Feb. 29, at Rutgers University, New Brunswick, N. J. He attended a meeting of the New Brunswick city commission this week, where a new traffic survey of the city was presented. On Feb. 23 he will confer in Hartford with the Citizens Traffic Safety Committee recently appointed by Mayor Spellacy.

K. N. Beadle, education director, is conducting a course on materials and

methods of teaching safety in secondary schools at the Center of Safety Education of New York University, each Saturday morning until June 1. Teachers from New York, New Jersey and Connecticut, as well as students at New York University, are enrolled.

Dockum, Brennan in Dallas Posts

R. S. Dockum has been appointed safety engineer in the Dallas branch of Massachusetts Bonding, and A. C. Brennan has been named as claim department manager. Mr. Dockum has had several years of practical experience. Mr. Brennan has been attached to the St. Louis office as claim attorney for seven years.

To Open St. Louis Branch

BALTIMORE—The New Amsterdam Casualty will open a branch office in St. Louis about March 1 with C. W. Keefer as manager. He has had broad experience in Los Angeles and St. Louis. Associated with him will be A. Smith, A. Buck, A. Wynne, C. Burns, J. Robinson and J. F. Mahoney. Complete underwriting, engineering, audit and claim services will be provided. The opening of this office will in no way affect the company's relations with the Daniel & Henry Co. of St. Louis.

Jansen San Francisco Chief

SAN FRANCISCO—H. Lee Jansen, assistant manager Hartford Accident, has been elected president of the Surety Underwriters Association of Northern California. He succeeds Henry Sheehy, Massachusetts Bonding. K. F. Warrach, American Surety, was elected vice-president, and E. W. Swingley, Ocean Accident, secretary-treasurer. The executive committee consists of Massachusetts Bonding, American Surety, Fidelity & Casualty, Glens Falls Indemnity, Fireman's Fund Indemnity, Fidelity & Deposit and National Surety.

Newcomer in Surety Ranks

American Fire & Casualty of Orlando, Fla., is taking steps to enter the surety field. It is seeking to become qualified to write this type of business. The management states that it will be "ultra conservative and write only preferred risks."

Portland Body Hears Tax Talk

PORTLAND, ORE.—F. H. Young, manager Oregon Business & Investors, spoke to the Surety Association of Portland on tax rates.

President C. A. Tomassene presented Seth B. Thompson, Oregon's new insurance commissioner. Other guests were D. C. Seager, assistant San Francisco manager Maryland Casualty, and George Ainsley, American Surety home office.

Boiler Bill in Virginia

RICHMOND — Creation of a Virginia board of boiler rules is provided for in a senate bill now pending. One of the six members would be an insurance representative. Senator Jordan, one of the patrons of the measure, is district manager at Richmond for the Commercial Casualty.

The Hardware Indemnity of Minnesota has entered Illinois and Texas. It is now licensed in 23 states and the District of Columbia.

Petitions are in circulation in Nebraska placing W. W. Putney, president of the Midwest Life of Lincoln, as a candidate for delegate to the Republican national convention.

The Michigan Hospital Benefit Association of Detroit, of which A. M. Gump is president, has opened three new offices. C. R. Habermas is manager in Lansing, John Kelly in Port Huron and M. L. Richards in Ann Arbor.

Pacific Indemnity has declared an extra dividend of 25 cents in addition to the quarterly dividend of 40 cents both payable April 1 to stock of record March 15.

"Three R's" Are Featured at Time's Agency Meeting

The "Three R's" for accident and health agents were featured at the first meeting of the "Inner Circle," newly formed organization of leading producers of the Time of Milwaukee, held Tuesday at the Edgewater Beach Hotel, Chicago.

L. F. Heimsoth, Michigan special agent, took up "Reading," applying it especially to a study of the policy contract, so that the agent will get a correct interpretation of the coverage offered, analyze and understand it thoroughly and pass along that information to his prospect.

Speaking on "Riting," Lyle Tuchscher, northern Wisconsin special agent, emphasized the importance of putting one's ideas into written form, starting with the material learned in preliminary training, and carrying on through putting on paper plans for the next day's work, preparation of prospect cards, pre-approach letters and its use in the sales presentation in the form of visual selling.

Problems of 'Rithmetic

Carl Gerhart, special agent, was the expert on "Rithmetic." He said the main problem is one of collections vs. claims—that to stay in business more must be paid in than is paid out.

Addition of new policyholders, he said, should mean that they are good risks, so that there will be a mathematical chance of breaking even. Subtraction from an agent's business will result from poor selection, if he is not prompt with collections, lax in his claim records, doesn't send in notification of claims promptly or fails to change the classification when the policyholder changes his occupation. Multiplication of business comes rapidly when satisfied policyholders spread the word among their friends. Division (difference of opinion) between the agent and the company can be overcome by cooperation.

In conclusion he said the successful agent can add to the satisfaction of his policyholders, multiply their number, divide many joys with them and subtract a substantial amount from his company in commissions.

Wienecke on "Crisis Ahead"

R. H. Wienecke, assistant manager Union Central Life, Chicago, gave a stirring inspirational talk on "Crisis Ahead." He cited the Chinese definition of crisis as "dangerous opportunity," listing the dangers which might be ahead, especially for men who had attained a considerable measure of success, as was the case with this group, and also their opportunities.

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, gave a word of welcome at the opening session. R. J. Hurley, chief underwriter, spoke of "Underwriters' Woe," and Mrs. Myrtle Piehl, chief claim examiner, on "Attitudes." Dr. Benjamin Schlomovitz, medical director, also told of some interesting experiences in connection with claims and especially points brought out by autopsies. Arthur Giljohann, of the home office also was introduced and spoke very briefly.

R. L. Paddock, agency secretary, had general charge of the meeting and E. G. Malone presided at the discussion sessions. The total attendance was about 45, including the wives of many of the qualifiers, 23 of the 26 members of the Inner Circle, with home office people and special guests bringing the number at the business sessions to 34. Special entertainment was provided for the ladies all day, with a cocktail hour and dinner in the evening for the entire party.

Senator Toolan has introduced in the New Jersey senate a measure which "would permit employees of school boards to participate in group insurance and hospital service plans."

LATE FIRE NEWS

Insurers Win

Warehouse Issue

The insurance companies recently obtained a directed verdict in the federal court at Fergus Falls, Minn., in an action brought by the Warroad Potato Growers Association involving a number of interesting issues.

The association was formed under the Minnesota cooperative laws to operate a warehouse for the storage of potatoes that are shipped to California for seed purposes which are owned principally by members. In the first trial at Fergus Falls, in January of 1937, the association claimed that the policy covered the potatoes regardless of ownership. A loss of \$9,258 was claimed and there was a verdict for the association of \$6,914.

Appeal Was Taken

The insurers appealed and the U. S. circuit court of appeals reversed the judgment. That court held that there was no intention to insure potatoes in storage unless the association was legally liable for the loss and that the policy did not insure such potatoes and covered only the liability of the warehouse association to the owners in case of loss.

The owners of the potatoes then commenced action in the state courts against the warehouse association to recover on account of the alleged liability of the association to the owners for the loss. The amount of the loss claimed in these actions was \$16,000 and judgments were recovered for \$19,303 including interest and cost.

The federal court submitted an amendment to the complaint in the action of the warehouse association against the insurers, whereby it was alleged that the warehouse association was, in fact, liable to the owners and that the judgments obtained by the owners against the warehouse association were determinative of the liability of the association to the owners.

Collusion Was Alleged

The insurers filed answers including the allegation that the state court judgments were obtained by collusion and as a part of a fraudulent scheme to make it appear that the association was negligent and was responsible for the loss. The insurers contended that the association's officers and members at the trial of the state court actions made misstatements respecting the value of the potatoes and the amount of the loss. The insurers alleged that wilful misstatements respecting the value and the amount of the loss and damage were made in violation of the policy provision that it shall be void if any insured shall make any attempt to defraud the company either before or after the loss.

At the conclusion of the second trial in the federal court just recently, the court directed a verdict in favor of the insurers on the grounds that the evidence as to the origin of the fire was speculative and that it appeared that the warehouse association had violated the provisions making the policy void if the assured should attempt to defraud the company.

The attorney for the insurers was Le Roy Bowen of Minneapolis.

"Insurance Field" Shifts

The "Insurance Field" announces that Elmer Miller, Jr., managing editor at its headquarters in Louisville, has been made eastern bureau manager and associate editor. E. M. Ackerman, associate editor in the New York office, has been appointed eastern advertising manager, succeeding William Stedler, who goes with the Weekly Underwriter.

G. V. McFadden, formerly with the Grand Haven State Bank, has purchased the Noel Carpenter agency at Spring Lake, Mich.

Mutual Companies' 1939 Figures

	Adm. Assets	Unearned Prem.	Net Surplus	Cash Income	Net Losses	Total Cash Income	Total Disb.
Alliance Co-Operative	418,924	198,571	215,987	181,998	104,811	169,887	189,911
Berkshire Mut., Mass.	1,265,510	822,025	364,415	837,588	305,390	895,060	818,306
Chemical Mut., N. Y.	15,115	76,387	64,952	82,806	36,899	86,178	68,629
Citizens Mut., Ind.	472,400	126,584	336,111	127,725	42,539	143,326	121,266
Fidelity Mut., Ind.	531,087	233,362	234,268	338,994	133,152	355,106	317,737
Grain Dirs. Nat. Mut.	3,761,834	1,630,639	1,620,000	2,441,408	748,253	2,558,027	2,298,553
Lynn Mut. Fire	615,359	190,798	410,412	180,336	61,258	201,460	171,830
Mfrs. & Mer. M., N. H.	1,021,709	214,671	763,004	179,400	51,395	244,499	222,244
Middlesex Mut.	2,509,799	697,081	1,758,000	691,846	235,745	792,558	676,712
National Mut. O.	443,314	173,005	229,215	204,066	74,311	218,077	202,285
Nat. Mut. Church	378,784	98,292	248,247	173,744	84,333	192,772	176,935
Norfolk & Ded Mut.	1,763,055	456,979	1,269,810	370,881	139,377	446,888	410,127
Phoenix Mut., N. H.	453,674	171,737	242,032	143,520	41,116	165,044	148,754
Salem Mut.	291,175	88,084	98,750	77,906	23,531	97,856	77,296
State Fire, N. H.	124,200	47,473	72,420	38,976	10,985	50,968	62,469
Tri-St. M. Grain Dis.							
Minn.	585,588	119,655	459,063	166,428	49,126	195,436	155,001
Union Fire, Neb.	577,684	182,031	282,500	380,356	143,347	395,964	373,949
Western Mutual, Ia.	441,355	226,263	162,561	473,010	169,200	480,293	422,558
RECIPROCAL							
Ret. Lbrmen's, Minn.	441,708	143,895	292,338	386,406	152,402	421,779	453,361

Holds Freeze Policy on Florida Fruit Is Valued Form

NEW ORLEANS—Interpretation of an insurance contract covering citrus groves against freeze as a valued policy rather than as an open policy was given by the U. S. circuit court of appeals at New Orleans, in confirming a judgment of the southern Florida court awarding \$85,317 plus attorney fees and costs to the Gentile Brothers Company. The appeals court decision overruled the contentions of American.

American issued a \$150,000 policy against freeze and windstorm July 30, 1937, to the Gentile company, covering 25 citrus groves in three Florida counties. The citrus crop had been estimated as 187,500 boxes and a valuation of 80 cents per box was placed with a premium of 4 cents per box, for a total of \$7,500. Under the policy, loss would not be covered unless it exceeded 10 percent and the balance of the crop was to be salvaged and net returns credited against the policy. A freeze occurred Dec. 6, 1937, after 47,681 boxes had been shipped, leaving a total of 139,819 boxes. The salvage of the crop netted \$26,537.94.

American contended that the assured failed to set forth the proof of loss, as to direct damage of the freeze and a statement showing how the amount demanded had been arrived at. Also that the salvage had been effected through the Tree-Gold Co-Operative Growers of Florida, which, with Lawrence Gentile, president of the insured as president, was under the same management as Tree-Gold of which Mr. Gentile was vice-president and general manager. It was contended that the Tree-Gold concern enjoyed a substantial profit, which should have been credited with the salvage against the face of the policy. The two concerns were merged in 1938. The suit was filed June 1, 1938. The insurance company contended also that the figures on yield and value were estimates, which, with the salvage clause were designed to protect the company and not to make the contract a valued policy.

The appeals court said that under the policy all the groves were to be considered as a unit in the event of a freeze, and the contract is explicit in the statement that 187,500 boxes of citrus fruit are insured for 80 cents per box no more and no less.

Camden's Direct Mail Campaign

Camden Fire is launching a new direct mail campaign for agents to be tested during 1940. The program coincides with the commencement of the 100th year of business by Camden Fire March 12. On its 100th birthday in 1941 awards will be presented to agents reporting the best result with the campaign.

Ill. Soy Bean Loss \$133,850

Insurance loss in the fire in the elevator, warehouse and processing plant of Illinois Soy Products Company, northeast of Springfield, Ill., now is estimated at \$133,850. The fire started in a dryer

air vent due to accumulated dust from beans. The loss is being handled by the Western Adjustment from its Springfield office. The line is handled by a number of Springfield agents and is spread among 23 companies. There is insurance of \$46,350 under a general form on equipment and \$17,500 on buildings. The loss on these items is total. The stock was written under a reporting form and the loss is estimated at \$70,000.

New York Seeks New Members

BUFFALO—The New York State Association of Local Agents has completed arrangements for a membership campaign to be run from March 1 to April 1, it was announced by J. W. Rose, secretary.

He explained that the campaign is being conducted as a compliment to R. M. L. Carson of Glens Falls, president, who has been doing an outstanding job for the association. The goal is 500 new members. T. A. Sharp, executive vice-president, is general chairman of the campaign. His committee consists of Richard Cary, W. E. Day, H. H. Hatch and R. E. Thompson, all regional vice presidents.

Fur and Jewelry Sales Higher

A tip on inland marine sales opportunities is found in the report of Northwestern National Life that 23.8 per cent more fur coats and neckpieces were sold in the last three months of 1939 than in the corresponding period of 1938. Sales of costume jewelry were 13.6 percent more in the last quarter of the year.

Kirby Is Ottawa President

J. D. Kirby has been elected president of the Ottawa (Ont.) Fire & Casualty Insurance Agents Association.

Canadian January Losses Down

TORONTO—Canada's fire loss in January is estimated at \$2,487,400, compared with \$2,676,400 in January, 1939. The month's loss was seasonably higher than December's total.

Ontario losses were up in January but there was a big drop in Quebec.

H. A. Knapp Honored

BOSTON—H. A. Knapp, who recently resigned as manager of the Mutual Fire Inspection Bureau to become president of Norfolk-Dedham Mutual Fire of Dedham, Mass., was given a reception by members of the bureau and presented a grandfather's clock.

B. G. Wills, vice-president Fireman's Fund group, conferred in Albuquerque, N. M., with Philip Kingsley, state agent, and Robert W. Beale, Denver, Colorado state agent.

John J. Cunningham, Indiana special agent Royal group, has returned to Indiana following a honeymoon trip. He was married several weeks ago to Miss Mary R. Macartney, Annapolis, Md.

Howard Bleser, Hartford special agent, Topeka, spoke to the Insurance Women of Wichita on "Insurance Underwriting."

Move to Revamp First Reinsurance

Stockholders of First Reinsurance of Hartford at their annual meeting Feb. 27, will consider authorizing the reduction of its capital from \$500,000 to \$50,000, and transferring the released \$450,000 to reserves for protection of treaty creditors, and to authorize directors to pay from time to time sums up to \$450,000 subject to permission of the commissioner, by way of partial liquidation.

The move is the initial step in the ultimate liquidation of the Russia International Corp., which holds control of First Reinsurance. The latter company will refrain from effecting new insurance agreements, and will seek to terminate those in force.

Stock of First Reinsurance is held by a Boston bank as collateral for a \$350,000 loan, upon the liquidation of which the Russia International will pay off accumulated interest and other charges to the amount of about \$100,000. Difficulties of the latter corporation resulted largely through its investments in foreign, especially German, insurance companies. Controlling interest of Russia International is held by Northeastern of Hartford. The principal assets of Russia International consist of stock of First Reinsurance, much of which is hypothecated.

First Reinsurance for the past year or so has concentrated on long haul truck business under John H. Awtry of New York.

Target Risk Exclusion Clause

London Lloyds, in its reinsurance contracts with American companies, is more and more insisting upon the attachment of the target exclusion clause, although some groups at Lloyds that are aggressively seeking business these days, it is understood, are offering to write the business, free of the clause and at rates even below those quoted by other underwriters who insist upon the exclusion.

"It is understood and agreed" the clause reads "that the following risks are excluded from coverage under this agreement and that no loss on these risks shall be included in the retention which is provided for by the terms of this agreement:

"George Washington Bridge, the insured being Port of New York Authority; Holland Tunnel, Port of New York Authority; Lincoln Tunnel (Midtown Tunnel), Port of New York Authority; San Francisco Oakland Bay Bridge, California Toll Bridge Authority; Golden Gate Bridge, Golden Gate Bridge and Highway District; Mellon Collection of Fine Arts, A. W. Mellon Educational & Charitable Trust, Washington; Frick Collection of Fine Arts, Trustees of the Frick Collection, Inc., 1 East 70th Street, New York, N. Y.; Kress Collection of Fine Arts, S. H. Kress and/or the Samuel H. Kress Foundation, 1020 Fifth Avenue, New York. Exhibits (fine arts) at and from various points and places in the United States and Canada to repositories in New York while there and to world's fair, while there for exhibition and return to various points and places in the United States and Canada (or as original), Art Associates, Inc.; paintings, objects of art and other items loaned for exhibition and covered in the premises of the Palace of Fine & Liberal Arts on Treasure Island at San Francisco Bay including inland transits and whilst temporarily located at places other than the said Palace of Fine & Liberal Arts (or as original), San Francisco Bay Exposition and the owners of objects of art loaned for exhibition; Bronx-Whitestone Bridge, Triborough Bridge Authority, New York City.

The New York Ex-Fieldmen's Society will hold its annual dinner at the Hotel Biltmore New York, April 10.

Present Acquisition Cost Council Plan

Chicago Managers Will "Run Own Show" It Is Decided

Constructive steps were taken Monday at a meeting of Chicago managers of casualty and surety companies to provide local machinery for administering the transactions of the casualty acquisition cost conference and the fidelity and surety acquisition cost conference. A delegation of company officials was on hand to meet with the Chicago managers. They were W. E. McKell, vice-president American Surety and New York Casualty, who is chairman of the committee that has been considering the Chicago situation; M. J. O'Brien, vice-president Fidelity & Casualty; Benjamin Rush, vice-president Indemnity of North America; Roy Tuchbreiter, executive vice-president Continental Casualty, and Garland P. Moore, assistant agency director U. S. Fidelity & Guaranty. Chairman E. J. Schofield accompanied the officials to Chicago and was present at the conference. G. E. Turner, Chicago manager of the two conferences, was also present. Mr. McKell presided at the meeting and presented the proposed program to the Chicago agents. This included the recommendation of five units under one branch office and four general agents or five general agents, and also the proposal for granting relief on bona fide cases.

Mr. McKell stated that it was the purpose of the company officials to have as much home rule as possible so that Chicago could work out its own salvation.

To Form Cook County Council

It was decided to form the Cook County Acquisition Cost Council which will have a president, vice-president and secretary, an advisory committee of seven members who will act as the executive committee working with the officers and a relief committee to handle all applications for relief. G. H. Moloney, vice-president Hartford Accident, was made chairman of the temporary committee to recommend officers and members of the committees. The other members of the committee are W. O. Schilling, U. S. Fidelity & Guaranty; W. H. Hansmann, Fidelity & Deposit; K. O. Saunders, Maryland Casualty; John Pabst, Fireman's Fund Indemnity; Roy Tuchbreiter, executive vice-president Continental Casualty; Freeman Read, Car & General; Fred J. Bristle, W. A. Alexander & Co.; Allan I. Wolff of the Associated Agencies, who represents the Zurich; W. A. Osgood, Indemnity of North America.

There were 39 companies represented at the meeting.

Chairman McKell reviewed at length the entire negotiations that led to the formation of the conferences, their objectives and assured his hearers that the companies were in earnest in getting back of the movement.

Federal Motor Bureau Wants New Insurance Rule

WASHINGTON—The Bureau of Motor Carriers of the Interstate Commerce Commission is contemplating adoption of a new regulation, to be known as Rule 10 and it has submitted the proposal to the insurance companies and truckers for comment. Rule 10 would extend the insurance protection to the fiduciary successor of a trucker, who becomes insolvent, and then would further extend the coverage back to the truckman if the business reverts to him, providing only that 60 days notice be given to the insurer.

HAIL AND FAREWELL TO CHIEFS



JOHN P. KEEVERS

John P. Keevers, resident vice-president of the Maryland Casualty in its Chicago department, became president of the Illinois Insurance Federation this week. H. N. Douglass, manager New Amsterdam Casualty, retired after two terms of most valuable service rendered.

Mr. Keevers joined the Maryland Casualty in Chicago as manager in 1926 and was made resident vice-president in 1933. He is past president of the Chicago Surety Underwriters Association. He entered the insurance business in



H. N. DOUGLASS

1910 with the U. S. Fidelity & Guaranty office in Chicago. He was assistant manager of the Chicago branch of the Fidelity & Deposit for six years following military service during the world war in France.

Bar Association Head Favors "Negotiation"

BIRMINGHAM, ALA.—The American Bar Association by a policy of negotiation is settling the problems arising from the "lay encroachment" of claim adjusters over into the field of law practice, said Charles Beardsley, president of the association and veteran attorney of Oakland, Cal., in addressing the Birmingham Bar Association.

President Beardsley said his organization through a five-member committee is working out a plan with insurance companies under which the adjuster "can do things that any intelligent layman can do but he must not give legal advice, such as advising as to the legal liability in a case or the amount of damages in a case."

His address was in the nature of a reply to an address given before the Birmingham association several months ago by Boyle Clark, chairman Missouri bar committee, who criticized the American Bar Association as a "leading enemy of social and professional progress" and termed its leaders "stuffed shirts." Boyle was active in the Missouri fight on adjusters.

Mr. Beardsley had no direct comment to make on the fight now being made by the Birmingham Bar Association on insurance adjusters, but there was some talk that present litigation might give away to negotiation. However, the local bar is sharply divided. After filing a motion for a rehearing and then withdrawing it, the Birmingham Bar Association has again petitioned the Alabama supreme court for a rehearing in the case of J. L. Wilkey, Birmingham independent adjuster. The high court reversed a decision of the lower court which held Wilkey to be practicing law without license and enjoining him from such practice.

J. K. Stone Joins Menegay

John K. Stone has joined Peerless Casualty in the New York City department which handles excess and reinsurance lines. The manager of that office is L. A. Menegay. Mr. Stone has been assistant secretary of Excess.

Read "Casualty and Surety" Coverages by W. H. Bates. \$1.50. Order from National Underwriter.

Eastern Mutual Casualty Goes Into Receivership

Eastern Mutual Casualty of Baltimore has been placed in receivership by Circuit Judge O'Dunne upon petition of Commissioner Gontrum. H. A. Joyce, deputy commissioner, was named receiver. Eastern Mutual was formed in 1934 and operated in Maryland and the District of Columbia. H. L. Robinson was president; Michael D'Arciprete, C. W. Slagle, Jr., and Jack Freedman, vice-presidents, and Winfred Bosman, secretary. As of Dec. 31, 1938, it reported assets \$191,594 and policyholders surplus \$47,301.

Auto Liability Assigned Risk Plan Adopted in Maine

AUGUSTA, ME. — Commissioner Lovejoy announces adoption of a voluntary assigned risk plan for automobile liability insurance.

The plan follows the lines of the New Hampshire assigned risk plan and has been accepted by all liability writing companies licensed in Maine. It will be administered by the Portland branch office of the National Bureau of Casualty & Surety Underwriters.

Provision is made for payment of commissions to agents and brokers on assigned risks by allowing the companies to make a surcharge which will provide commissions of 10 percent to a licensed broker of record, designated by the assured, and 2½ percent for countersignature to the licensed agent of the company to which the risk is assigned.

Propose 10% Rate Cut in Va.

RICHMOND—The companies have proposed an approximate decrease of 10 percent in compensation rates in Virginia. The state corporation commission held a hearing on the proposal this week, taking the matter under advisement. It was indicated that an order putting the rates into effect would soon be entered. Rates would be decreased 9.4 percent for manufacturers, 6.8 percent for contractors and an average 12.8 percent for all others. Adjustment past five years experience showing a decrease in losses.

Accredited People Will Be Furnished

Plan Is Devised to Furnish Temporary Messengers for Stock Brokers

NEW YORK—Appreciating that an increase of business by stock brokerage houses oftentimes induces employment of temporary messengers for the delivery of valuable securities, the loss of which, while it might fall within the terms of the insurance carried, may yet considerably exceed the amount of the coverage, the Surety Association of America has devised a plan the observance of which should materially reduce the loss hazard.

Addresses Stock Exchange

E. Vernon Roth, assistant secretary of the association, addressed all members of the New York Stock Exchange in part as follows:

"In order that stock exchange firms may have available for their use temporary messengers whose records give greater assurance of dependability, the Surety Association of America offers to suggest to you the names of individuals deemed eligible for your employment and who have qualified in receiving from the association identifying certificates. This service is available without cost to exchange members or to the messengers or the agencies supplying them.

"We hope you will agree that sound business practice and the preservation of reasonable insurance rates call for the use of only accredited messengers; that you will consider it wise to take advantage of the investigation service offered by this association and that you will instruct your staff to arrange to patronize only agencies supplying accredited messengers.

"If you will furnish us, through your insurance brokers if you prefer, the names of the messenger agencies you customarily use, we shall make available to such agencies the investigation service referred to, so that messengers sent by them in response to your calls may be qualified with credentials."

Commercial Standard Changes

During the absence of H. C. Bishop, on indefinite leave because of illness, H. C. Story is assisting as home office claims examiner for the Commercial Standard of Fort Worth. Jack Clift, formerly in the Lubbock territory, has replaced Mr. Story as claims adjuster in the Fort Worth territory.

F. A. Heath Is Named Assistant to Tuchbreiter

Forrest A. Heath, formerly supervisor of the group insurance division of Metropolitan Life at Detroit, has been appointed assistant to Executive Vice-president Roy Tuchbreiter of Continental Casualty and Continental Assurance of Chicago.



Forrest A. Heath

Mr. Heath for the last several years has been associated with the group department of Metropolitan and prior to that was superintendent of agents of the Kenneth Watkins Corporation, former general agent for General Accident for Michigan. His title will be that of assistant to the vice-president. Mr. Tuchbreiter is the head of the agency operations of both the life and casualty companies.

Keevers President of Illinois Federation, Succeeds Douglass

Doctor and His Records are Vital in Claim Work

Annual Meeting Brought Out an Overflow Crowd of Members

John P. Keevers of Chicago, resident vice-president of the Maryland Casualty, was elected president of the Illinois Insurance Federation at its annual meeting in Chicago this week. He succeeds H. N. Douglass of Chicago, resident manager New Amsterdam Casualty, who becomes chairman of the board. J. L. Maehle, manager American Surety at Chicago, is first vice-president. Other vice-presidents are C. F. Axelson of Chicago, Northwestern Mutual Life; President L. D. Cavanaugh, Federal Life of Chicago; F. W. Doremus, Rockford, western manager American of Newark; L. M. Drake, Sr., Critchell, Miller, Whitney & Barbour, Chicago; Lyle H. Gift of Peoria, president Illinois Association of Insurance Agents; W. H. Hansmann of Chicago, manager Fidelity & Deposit; Alvin S. Keys, Springfield, Ill.; John C. Lanphier, Jr. of Springfield, Ill.; Clark Nolan of Chicago, president Illinois Brokers Association; W. P. Robertson, western manager North America.

Mrs. Lillian L. Herring of Chicago was reelected secretary and George H. Ahrold, U. S. Fidelity & Guaranty of Chicago treasurer.

Executive Committee

The executive committee consists of Mr. Axelson, Mr. Douglass, H. M. Loeb of Eliel & Loeb, Chicago, E. V. Mitchell, general counsel Continental Casualty, Chicago, Gail Reed, broker, Chicago.

The directors are Henry Abels of Springfield, vice-president Franklin Life; V. H. Bartholomew, Chicago, manager Standard Accident; J. J. Beattie, Rockford; C. H. Burras, Joyce & Co., Chicago; H. W. Capen, Bloomington; H. H. Cleaveland, Rock Island; R. S. Danforth, assistant secretary Millers National; Wade Fetzner, Jr., W. A. Alexander & Co.; C. E. Freeto, broker, Chicago; E. Irving Fiery, Chicago; Dudley F. Giberson, Alton, Ill.; F. M. Gund, Freeport, manager Crum & Forster; E. A. Henne, western manager America Fore; P. B. Hobbs, Equitable Life of New York in Chicago; W. H. Jennings, Jr., Rockford; L. S. Jones, Chicago, manager Ocean Accident; Carl L. Kirk, Chicago, assistant manager Zurich; H. M. Loeb, Eliel & Loeb, Chicago; G. H. Moloney, vice-president Hartford Accident & Indemnity, Chicago; H. H. Monier, Champaign; C. L. Morris, Springfield; M. A. Myers, broker, Chicago; B. J. Nietschmann, Chicago, manager National Surety; Freeman C. Read, Chicago, manager Car & General; Edward St. Clair, secretary North American Accident; W. O. Schilling, Chicago, manager U. S. Fidelity & Guaranty; L. W. Shade, Decatur; John H. Slagle, broker, Chicago; E. L. Stephenson, Chicago, manager U. S. Casualty; W. H. Stewart, Stewart, Keator, Kessberger & Lederer, Chicago; C. B. Stumes, Chicago, manager Penn Mutual Life; George Tramel, Chicago, manager Aetna Life; R. W. Troxell, Springfield; James White, Chicago, manager Travelers; N. M. Winters, Quincy.

There was a large attendance and the main room at the Union League

The doctor and his records are the most important part of claim investigation work, W. J. Brown, attorney with Scott, MacLeish and Falk, Chicago, said at a meeting of the Chicago Claim Association.

"In practically every decision which has to be made on claims for death, health or accident benefits the doctor is the determinative factor," he said. "In the event of litigation he is often the rock upon which the company must rest its case."

Marshalling the Facts

"When approaching the doctor the claim investigator should know his case, his company, the doctor, and the doctor's problems. Each interview should be a campaign to get the facts in such a manner that they will be available in event of litigation."

Conceding that the time element is a factor in investigation, Mr. Brown said that although an investigator cannot do an ideal job in each case it should not discourage him from doing the best possible job under all circumstances.

Getting Facts Is Primary Job

"The primary job is to get the facts," he said. "There are two purposes which must be satisfied for that end, securing sufficient data for the company to make a fair decision, and if the decision is unfavorable to the claim, get enough evidentiary facts to determine the issues should the company's decision be contested in court."

"The bulk of the work does not result in litigation. Actually a very small percentage of the cases investigated end in the courtroom. The measure of success may be determined by the number of denied claims in which the client abides by the company's decision and the number contested."

Doctor Is Keystone

"The doctor is the keystone of investigations and the reason for his prominence in claim work is found in the inherent nature of the investigations and in his essential honesty and intelligence. Although each case is different as to facts and inevitably has some individual legal phase, there are tones of insurance litigation which are common to life and to casualty companies. These are:

"Fraud or misrepresentation in the inception of the risk or restoration of the coverage by reinstatement; consultations with physicians or good health of the applicant between the date of the medical examination and delivery of the policy; substitution cases in which the applicant is not the person injured; conspiracy to defraud the company by procurement of insurance for the purpose of

murdering the insured; insurable interest; nonpayment of premium.

"With the exception of the defense of nonpayment of premium and resultant problems under nonforfeiture provisions the doctor is more frequently than not the source of evidentiary information which determines the question of whether or not the insurance is properly in force."

Main Concerns of Claim Work

Mr. Brown said the great bulk of claim work is concerned with the existence and extent of loss. The types of investigation in these categories are death cases which involve disappearance, substitution of body, accidental means, and disability.

He emphasized the necessity for a relationship of mutual confidence and respect between the claim man and the medical profession, declaring that it is such a relationship which contributes largely to proper and speedy disposal of a majority of cases.

The Successful Investigator

From the viewpoint of the trial lawyer there are four points upon which a qualified investigator succeeds or fails in his investigation, Mr. Brown said. "These are exercising industry, intelligence and courage to get the material facts; not only observing the facts but remembering them as they are observed; recording the facts as they are observed, and doing the foregoing in such a manner that the material facts will be available at the time of trial so far as they can be preserved."

"The investigator must not only get the facts but must leave the door open for the trial lawyer," he stressed. "To that end I know of no substitution for a firm honesty of purpose in the claim man's relationship with the medical profession. The doctor must understand that the claim man represents an honest company which wants nothing but the facts, but for a legitimate purpose wants all the facts."

"In addition, there are technical rules of evidence which the claim investigator should not ignore. The record on a case does not get into evidence merely by the issuance of a subpoena duces tecum which brings it into court. It must be identified with at least one rule of evidence which will permit its receipt in evidence."

"If the investigator will ask himself, after he has prepared his report, the question of whether his report shows the where, when, what and who relevant facts, he will save the trial lawyer much time. Frequently, the 'who' facts are not shown in the average report."

Club could not accommodate the crowd, so an overflow was arranged for.

O. J. Arnold, president Northwestern National Life, who was the speaker of the day, made a deep impression. A synopsis of the address will be found in another column.

Some Outsiders Present

Present at the meeting were C. B. Helm, secretary Minnesota Federation; W. E. McKell, New York, vice-president American Surety and former president Board of Trade of New York, and Roy L. Davis, assistant insurance director of Illinois.

Mr. Keevers is the fourth successive president who is manager of a Baltimore casualty company, his predecessors being W. O. Schilling, U. S. F. & G., W. H. Hansmann, Fidelity & Deposit, and Mr. Douglass. A. I. Wolff, past president National Association of Insurance Agents, who introduced O. J. Arnold, said that a new Baltimore company should be incorporated before a new president is elected.

In his closing remarks as president,

State Farm Group Reports Big Gains in 1939 Business

More Than 2500 Attend Annual Meeting in Chicago

Setting an all time high attendance record, more than 2500 representatives of the State Farm Mutual Automobile and its affiliates, State Farm Life and State Farm Fire, Bloomington, Ill., met for their annual convention this week in Chicago.

Excellent increases in business during 1939 were reported by A. H. Rust, executive vice-president. He said that premium writings of the automobile company increased \$2,187,775 to \$15,225,430 as compared with \$13,037,655 in 1938. Assets increased to \$18,439,481 from \$15,702,434. Contingent reserve was increased by \$250,000 and now stands at \$2,500,000. Surplus to policyholders was \$5,264,276 increasing from \$4,270,244.

State Farm Life showed insurance in force as of Dec. 31, 1939, to be \$61,277,032 as compared with \$55,040,597 the year previous. Assets increased from \$3,121,295 to \$3,943,884. Surplus to policyholders was \$622,640 as compared to \$570,473.

State Farm Fire assets were \$770,654 as compared with \$668,141 in 1938. Unearned premium reserve rose to \$274,569 as compared with \$193,959. Surplus to policyholders, including \$250,000 paid in capital, was \$425,040.

Recounts Group's Growth

In his annual message R. B. Mecherle president State Farm Mutual, recounted the economic difficulties experienced in this country in the past ten years and emphasized that it was during this period that the State Farm companies experienced their greatest financial growth. He urged the representatives to continue their efforts to secure a million or more policyholders by 1944 and pointed to the improvements in business in the past year as indicative that the goal will be reached. At present there are 659,284 policyholders.

G. J. Mecherle, chairman of the board, in his report stated that his belief that the automobile company 1939 increase in premium volume was the greatest enjoyed by any company in the country. In 1938 an increase in premiums of \$2,133,598 was said to be the largest among the 675 companies of all kinds writing various types of automobile insurance.

Mr. Mecherle said that in 1939, 151,561 claims were paid by the company and since its inception in 1922 it has paid 1,037,980 in claims.

To Increase National Advertising

In discussing "A Program of Action," A. W. Tompkins, agency vice-president, reviewed results of 1939 and announced that this year the national advertising campaign of the State Farm group will be five times as much as heretofore. State Farm group intends to continue its development in metropolitan centers. A year ago only ten percent of its policyholders were city dwellers. Now this has risen to 30 percent and it is expected that by 1941 this percentage will be greatly increased.

Ward Phelps, consultant Life Insurance Sales Research Bureau, was also a speaker.

As is customary the colorful "Parade (CONTINUED ON PAGE 35)

Mr. Douglass reiterated the aims of the federation and said that many suggestions have been made for enlarged activities but that in his opinion the original course should be followed.

Wants A.&H. Policies to Show Compensation Not Covered

LINCOLN, NEB. — To stop a practice of which he disapproves, Judge Coffey, presiding officer of the state compensation court, has asked Insurance Director Smrha to require that all accident and health policies bear a notation on the face that they do not cover workmen's compensation. Judge Coffey says that some agents contact small business men who say they cannot afford to carry compensation at existing rates and induce them to take out accident and health policies on their employees, with the premiums paid by the employer. He says possession of an accident policy is no bar to an injured worker claiming compensation, and employers should be so advised in some effective way.

CHANGES IN CASUALTY FIELD

W. K. O'Connor Joins Highway Mutual Casualty

W. K. O'Connor has joined Highway Mutual Casualty, Chicago, as Cook county field representative. His appointment marks another step in the expansion program of Highway Mutual, which last year doubled its business as



W. K. O'CONNOR

compared with 1938. It specializes in workmen's compensation, and works only through agents and brokers.

Mr. O'Connor has a wide circle of friends and acquaintances, not only among brokers and agents in Chicago, but countrywide as well. He has been active in insurance educational work, serving as a lecturer in the Chicago classes of the Insurance Institute of America on sprinkler leakage, water damage and collision insurance.

He entered the insurance business in 1919 following the world war, going with Kelly & Fuller in New York City, metropolitan managers for the London Guarantee, Fire Association, and Boston and Old Colony. He joined Integrity Mutual at the home office in Chicago in 1920 as manager of the automobile department. Four years later he organized the automobile department of the Netherlands and Great Lakes when the home offices were then in Chicago. When they were moved to Hartford, he remained in Chicago, becoming superintendent of Zurich's automobile department. In 1937 he went with American Indemnity of Texas as resident manager in Chicago.

During the war, Mr. O'Connor was in the navy, serving on the staff of Rear Admiral H. P. Jones.

C. J. Grant, vice-president Highway Mutual Casualty, is in charge of production; and J. M. Hogle, vice-president, is general manager.

George Bottoms Joins Agency

George W. Bottoms has joined Jewett, Barton, Leavy & Kern, Portland, Ore., as manager of the casualty and surety underwriting department. Mr. Bottoms gained his initial experience with the Portland branch of the National Bureau of Casualty & Surety Underwriters. Since 1936 he has been special agent for the U. S. F. & G. in Portland.

Harry Dunton to Cincinnati

CINCINNATI—Harry Dunton, who recently completed the Maryland Casualty home office training course after his graduation from Virginia Military Institute, has been sent to the Cincinnati service office where he will continue his study of the business under F. W. Gentrup, manager bond department.

Parks to Trezevant & Cochran

J. F. Parks, underwriter with the Texas Service Office of Employers Liability, is joining Trezevant & Cochran of Dallas, who have become general agents

of the Glen Falls Indemnity, as assistant casualty manager.

R. S. Fisher, formerly with the Lincoln National Life, has joined the underwriting department of the Buckeye Union Casualty, succeeding W. F. Woodward, who has been transferred to the Buckeye Union Fire.

H. R. Price, Jr., has been appointed assistant manager of the U. S. Fidelity & Guaranty at the St. Louis office. He was formerly superintendent of the casualty department there.

ASSOCIATIONS

Brewster Explains New Auto Rating Plan in N. Y. State

BUFFALO—Recognition of various risk classifications in passenger automobile insurance rating recently established in New York state should have a salutary effect on accident prevention, W. H. Brewster, assistant manager rating division National Bureau of Casualty & Surety Underwriters, New York City, declared in an address before the Casualty & Surety Club of Buffalo. C. F. Joyce, vice-president, presided in the absence of E. D. Buck, president.

In describing the making of new rates for New York state, Mr. Brewster said the pure premium for the five years 1934-1938 was arrived at and then balanced against the average premium for 1937-1938, the latter reflecting the trend. A medium was struck between these two figures, plus a 1 percent loading for the preferred risk element, to determine the rate.

"Many years of study were given to this plan before it was adopted and

Hartford Accident Names Assistant Western Manager



JOHN W. REITZE

John W. Reitze, who has been agency superintendent of the Hartford Accident's western department in Chicago has been named assistant manager of the western department. He will continue to supervise special agents and underwriting problems arising in the field.

Mr. Reitze went to the Hartford in 1921 from Butler Brothers, where he had been connected with the sales department. Until 1923 he was in the claims and legal department. He was then transferred to Michigan as special agent until 1932 when he was called to the Chicago office to take charge of the agency department.

actual tests were made regarding business and non-business use of automobiles," he declared. "We found that the loss cost on cars not used in business is 26 percent lower than that on cars used in business."

Car owners, not now insured, are being attracted to automobile liability insurance by the new rates, he reported. Mr. Brewster said pleasure cars represent 85 percent of the insured vehicles in New York State. Following his address, Mr. Brewster answered numerous questions from the floor relative to the new rating system.

Course for License Applicants

BUFFALO—The new Casualty & Surety Club of Buffalo, formed by a merger of the casualty and surety groups formerly operating as separate organizations, is conducting a school for students preparing for state examinations for agents' licenses. There are 42 students registered, meeting every Tuesday and Friday evening.

Officers of the new club who have been guiding the aggressive program are: Ellsworth D. Buck, president; C. F. Joyce, vice-president, and F. W. Wheeler, secretary-treasurer.

Review Chicago Subway Hazards

The safeguards being taken to protect many Chicago loop buildings from damage from construction of the subway makes these structures and the contractors working in their vicinity excellent liability and property damage risks, Magnus Gunderson, consulting engineer, told the Chicago Casualty Underwriters Association. Mr. Gunderson, who is noted as an authority on the soil structure of Chicago, explained the physical hazards of subway digging and the precautions used. Buildings which are not properly braced are in some danger of undue settlement, he said, and he urged underwriters and engineers to investigate all safeguards before acting on any particular risk.

Mr. Gunderson described the shield method being used in tunneling under the loop streets and said that it appears that this safeguard may save even unsupported buildings from trouble. However, practically all the better managed buildings in the loop area built on floating foundations are being braced by at least one row of caissons and should be better structural risks than before. In streets away from the loop, Mr. Gunderson said results have varied. Much depends on the care used by the contractor, he said, and contractors who have been careful not to dig ahead of work of shoring the tunnel and installing the permanent work have had only minor settlement. Hasty digging, however, has caused the clay which underlies Chicago for about 80 feet to squeeze into the tunnel and cause the street and the buildings to settle.

The regular attendance of the association was augmented by a large number of engineers of casualty companies and agencies.

Sees Cut in N. C. Fire Rates

In addressing the Charlotte Insurance Exchange Commissioner Boney of North Carolina stated that during the next several months there will be downward revisions in fire insurance rates in several communities. This will come about in the process of revising and equalizing the rate structure, he said.

Wiggers Cincinnati Speaker

CINCINNATI—L. H. Wiggers, manager insurance department Procter & Gamble Co., Cincinnati, will speak to the Cincinnati Casualty & Surety Association March 12 on "The Marine Insurance Buyer and His Troubles Today." New directors will be elected at that time.

W. F. Roeber, general manager of the National Council on Compensation Insurance, returned to his office in New York Monday, after visits to the commissioners of Florida and of South Carolina, with whom he conferred on rating propositions.

PERSONALS

George R. Kendall, president of Washington National of Evanston, Ill., has returned from Miami Beach, Fla., after an absence of about two months. His stay was extended longer than he had anticipated because Mrs. Kendall was stricken with pneumonia and entered the hospital there. She has now left the hospital but will remain in Florida for several weeks.

The employees in the Chicago office of New Amsterdam Casualty presented to Manager H. N. Douglass and Mrs. Douglass a handsome silver vase and a bouquet of roses upon their 25th wedding anniversary. Mr. Douglass retired this week after serving two terms as president of the Insurance Federation of Illinois.

Secretary A. B. Palmerton of Aetna Casualty, who is retiring on account of ill health, has been on a leave of absence since last November. He graduated from Yale in 1905 and went with Aetna Casualty in 1912 as assistant manager of the fidelity and surety department. He was later elected assistant secretary and in 1920 was promoted to secretary.

W. T. Cline of the Conkling, Price & Webb agency of Chicago is vacationing in Honolulu. He expects to return to Chicago about March 1.

John J. Hall, head of the department of street and highway safety of the National Conservation Bureau, who made a talk at the casualty forum during Pittsburgh Insurance Day, also went on the air over station WCAB in Pittsburgh Monday evening for 10 minutes. Mr. Hall went on west from Pittsburgh to confer with highway officials in Lansing, Mich., and Madison, Wis. He will give a talk to an American Legion group at Des Moines before returning to New York March 1.

On the eve of his 70th birthday anniversary, W. R. C. Corson, president of Hartford Steam Boiler was presented by the employees with a birthday cake surmounted with a miniature steam engine, which is his company's trademark. He went with Hartford Steam Boiler in 1907.

Samuel Long, 79, reputed to have sold the first accident policy for the Aetna Life in Wisconsin, and an agent of that company for 52 years, died at Carrollville, Wis., where he had recently moved from Milwaukee.

A. de V. Patrick, 87, assistant secretary United States Fidelity & Guaranty, died from pneumonia at his home in Baltimore. He joined the company in 1897 and was its oldest employee in point of age as well as service. He had never missed a day's work until he was stricken ten days ago with pneumonia. He started as a special agent, later became superintendent of the fraternal order fidelity division and last February was promoted to assistant secretary.

W. H. Scott, who before his retirement about three years ago was manager of the health and accident department of Maryland Casualty in Chicago, died in that city Feb. 17, at the age of 72. He was a real estate and insurance man in St. Louis until he moved to Chicago about 13 years ago. Before going with the Maryland Casualty, which he served for five years, he was connected with the health and accident department of the Zurich general office, being both a claim man and an underwriter.

Miss Susan Chambliss, daughter of John A. Chambliss, counsel for the Provident Life & Accident and granddaughter of Chief Justice A. W. Chambliss, vice-president of Provident, became the bride of James B. Irvine, Jr., in Chattanooga. Mr. Irvine is associated with the Penn Mutual Life. His father, James B. Irvine, Sr., is a member of the Sloan, Irvine & Sloan agency.

E. S. Coulter spoke to the Oregon Casualty Adjusters Association in Portland.

Progress Is Made on Comprehensive

(CONTINUED FROM PAGE 20C)

way of application and survey. This would not only include the units of exposure, but would also include information needed by the underwriters in passing on the risk. Undoubtedly this latter will vary between companies, depending upon that which each considers necessary, Mr. Gillet said. The setup of the policies may not be uniform, but it is hoped that eventually the contract will become more or less standard.

There is some question as to the practicality of the comprehensive coverage. It may be optional as to what perils the assured may insure. Various combinations will result, but unless all are included the so-called "unknown" hazards cannot be given. Even though all perils may not be included in the coverage afforded, the assured will at least be aware of their existence. This is one of the advantages of the proposed contract.

May Be Additional Forms

However, some companies may not care to use one form unless the coverage afforded is comprehensive in scope. Consequently, there may be additional forms of contracts which might be termed schedule policies. For example, one policy may be intended primarily for manufacturing risks, another for mercantile and there may be a combination of the two. There is also the likelihood of a comprehensive policy that will exclude the automobile hazard, with a separate comprehensive policy for that feature alone if it is to be desired. Some hold to the belief that it is not possible to include automobile coverage along with the other coverages. This is not only the position of some company men, but likewise that of supervising authorities. Consequently, the work involved is not simply that of giving out one form. There is also the important question of how to secure the necessary data for the rating of the risk in order that the initial or deposit premium may be adequate for the hazards insured. The first step along this line will be to have the insured fill out an application and survey.

The question of audit is simple where the information can be collected from the records of the assured, but is not so easy where there are a number of properties involved which may be added to during the policy period.

May Use Common Rate

Eventually the comprehensive form may be rated on the "common rate basis," that is, one rate for the entire risk, applicable either to payrolls, sales or some other basis. Some risks are written that way today. Usually in the development of such a rate the various units of exposure as existing at the inception of the insurance are secured and to these various rates are supplied. The resulting premium is then related to the payrolls, sales or whatever basis of rating is to be used. However, that does not solve the problem entirely because the company should continue to develop the various units of exposure, in order that the proper statistics, both as to losses as well as exposure, may be kept for future rate-making. Perhaps the answer is that risks accepted upon this basis should be limited to those of some size, so the experience resulting could be kept separate and not allowed to affect the rates for the "run of the mill" risks. It may be possible to group the risks written on a common rate level and the experience could be developed. The method would have to be limited to those operations and hazards which are more or less stabilized.

Manual Problem

There is also the problem of making certain changes in the manual rules as modifications are needed. These have

to be filed in some states with the supervising authorities.

Mr. Gillet referred to the comprehensive form which has been developed in certain sections. He said it will be followed substantially when adopted for countrywide use.

In preparing the comprehensive policy, the most careful analysis of the various exposures is necessary in order that the underwriter may visualize the hazard and arrive at a proper initial premium. Besides the usual information now necessary for issuance of a schedule policy, such as payroll, area frontage, etc., the survey is intended to develop all possible information that may exist. An attempt will be made to secure information on one form which will cover many types of risks and many questions may be asked which will not be applicable to a large number of risks.

Producer Key to Situation

The producer being more closely associated with his customer, is in a better position to secure, by way of this application and survey, the necessary information. Furthermore, he will undoubtedly have to explain certain facts to his client. This will take a little time and effort on his part, but will reduce possibility of misunderstanding.

The use of the comprehensive form

will have many advantages over the present procedure from the insured's standpoint, Mr. Gillet declared, not only because of substitution of one for several forms of contract, but it also eliminates the possibilities that the assured has neglected to anticipate and insure against all hazards of loss. This is especially true of the larger assured and in the opinion of many the use of the form should be limited to such.

Preparation of the comprehensive form has not been as simple as many are led to believe. Undoubtedly in its application many questions will arise but it is one of the developments of the business which in the long run should be beneficial and result in additional business, Mr. Gillet stated.

Three Speakers in Cincinnati

CINCINNATI—Three talks by local men will feature the Feb. 28 meeting of the Cincinnati Accident & Health Association: "Sales Possibilities in Accident and Health Insurance," W. R. Dignan, W. E. Lord Company; "How Accident & Health Assists in the Sales of Other Lines of Insurance," A. W. Douthat, Maryland Casualty; "The Relationship of Industrial to Commercial Accident & Health Lines," J. A. Eggers, Inter-Ocean Casualty.

Two Agreed Bills Ready in N. Y.

NEW YORK—The insurance, labor and employer interests of the state have agreed upon two compensation measures that will presently be introduced in the legislature. Under one measure the limit of recovery on account of silicosis would be increased to \$5,000, reaching that figure in 1943. Labor undertakes not to seek further increases in benefits until 1943. At present the limit is \$3,000, to be reached in September of this year.

The other measure sets a limit of 18 years during which a compensation case may be reopened against security fund 25A. At present there is no limitation.

Accident Bureau Meets May 16-17

The annual meeting of the Bureau of Personal Accident & Health Underwriters will be held at Atlantic City May 16-17, with the Claridge Hotel as headquarters. There will be a preliminary meeting of the governing committee May 15. An attendance of about 60 is expected.

John McDowell and Anna McDowell of St. Joseph and John Pratt of Benton Harbor, have formed the Protective Agency of Benton Harbor, Mich.

GENERAL ACCIDENT

UNITED STATES BRANCH

Financial Statement, December 31, 1939

ADMITTED ASSETS

*United States Government Bonds.....	\$11,637,311.00
*Federal Land Bank Bonds.....	184,900.00
*State, County and Municipal Bonds.....	1,726,490.50
*All other Bonds and Stocks.....	16,894,620.73
First Mortgages and Collateral Loan.....	77,500.00
Real Estate	556,469.00
Cash on Hand and in Banks.....	3,699,138.85
Uncollected Premiums not over ninety days and Sundry Balances	3,561,452.22
Accrued Interest	150,577.33
	\$38,488,459.63

LIABILITIES

Unearned Premiums	\$ 8,367,426.72
Reserve for Losses.....	12,397,755.00
Reserve for Taxes and all other Liabilities.....	1,734,065.59
General Contingency Reserve.....	1,500,000.00
Additional Voluntary Reserve.....	1,229,002.00
Deposit Capital	\$ 550,000.00
Surplus Over Deposit Capital and all Liabilities	12,710,210.32
Surplus to Policyholders.....	13,260,210.32
	\$38,488,459.63

*Valuation on National Association of Insurance Commissioners' Basis. On the Basis of December 31, 1939, Market Quotations for all Bonds and Stocks owned, this Corporation's total Admitted Assets would be increased to \$39,191,359.40 and Surplus to Policyholders to \$13,963,110.09.

Securities carried at \$1,061,976.00 in the above statement are deposited for purposes required by law.

The assets of the United States Branch are invested entirely in American Securities and, as required by law, are held for the benefit of American policyholders.

GENERAL ACCIDENT

FIRE AND LIFE

Assurance Corporation, Ltd.

JOHN H. GRADY, United States Attorney
JAMES F. MITCHELL, United States Manager

General Building, Fourth and Walnut Streets, PHILADELPHIA



WORKMEN'S COMPENSATION

Protest Practices of Pa. State Fund

The Insurance Federation of Pennsylvania and the Pittsburgh Casualty Association have taken firm steps to halt the aggressive solicitation of business by the industrial commission in behalf of the state compensation fund. These organizations became aroused when the head of the industrial commission sent to employers a letter of solicitation. That letter was extremely provocative. It contended that only the state fund provides "complete insurance protection." An employer does not absolutely shed his liability when he insures in a private company, this letter contends, because in the event of failure of the insurer, the employer is still liable to his employees. This statement was made despite the fact that there is in Pennsylvania a security fund to pay the policyholder compensation claims against failed companies.

The Insurance Federation addressed a strong letter to the members of the industrial commission, protesting this

active solicitation of business. According to the Federation, the fund enjoys six competitive advantages and that in view of that position, the fund should not, in addition, actually solicit risks.

The Pittsburgh group took its protest direct to the governor, and, it is understood that he has replied, expressing sympathy with the attitude of the insurance people.

Predict Clash Over Bills in Arkansas

LITTLE ROCK, ARK.—The indications are that the strife between the American Federation of Labor and the C.I.O. may make itself felt in the state when two measures for a workmen's compensation act are submitted to the electorate in November. President Hocott of the Arkansas Federation of Labor has stated that it will favor the act signed by Governor Bailey and later involved in the referendum petitions. He said that the C.I.O. is favoring a bill by State Senator Smith and vetoed by Governor Bailey. Senator Smith has

declared that his act is favored by both organizations. The bill approved by Governor Bailey involves a compensation system administered by a state board and based on contracts with private companies, with option of self-insurance where a satisfactory bond is given.

Compensation Opinion in Minn.

ST. PAUL, MINN.—A comprehensive policy including compensation coverage with other lines is permissible in Minnesota providing there is no rate discrimination between the "over-all" and separate policies, according to an opinion given the Minnesota compensation insurance board by E. J. Devitt, assistant attorney general in charge of insurance.

At present, all compensation policies in Minnesota are written separately from other lines. The board has not acted on the opinion as yet. Comprehensive policies in other states are usually written without compensation.

Columbus Attorneys Face Charges

COLUMBUS, O.—Six Columbus attorneys will have to face charges preferred against them in the common pleas court by the bar association, which accuses them of ambulance chasing and

charging exorbitant fees in connection with claims before the Ohio industrial commission. The Citizens Tax League of Ohio is said to have started the investigation which resulted in the filing of charges. It has been found, it is said, that some agreements between claimants and their attorneys provide that the attorney is to receive 50 percent of the money recovered. One attorney is said to be handling 581 claims and another law firm 465.

Gives 25 Year Record in N. Y.

Industrial Commissioner Frieda Miller, of New York, in giving the annual report, states that in the 25 years that the compensation law has been in effect in New York more than \$500,000,000 has been paid to almost 2,000,000 injured workmen or their families. Of the total payments, \$340,329,231 were made on account of claimants in New York City. Buffalo ranks second in that regard, Albany third, then Syracuse and Rochester. The greatest number of accidents occurred in manufacturing plants, then came construction, transportation and public utilities.

Florida Minimum Already \$1,000

TALLAHASSEE, FLA.—The \$1,000 minimum premium for compensation retrospective rating, just approved by the National Council on Compensation Insurance, became effective in Florida Jan. 1, 1939. The Florida department felt this to be imperative, with the industries of Florida on the average much smaller than in the states with larger business units. It had developed that only a few operations in Florida would provide enough payroll to have a \$5,000 premium.

Task of Filling Senior's Place

NEW YORK—To the governing committee of the Compensation Insurance Rating Board of New York of which S. H. Perkins, secretary of Travelers, is chairman, will likely be entrusted the task of selecting a successor to the late Leon S. Senior, as general manager.

The Minnesota compensation insurance board as now constituted won't lack for legal knowledge. All three members are attorneys; N. H. Debel of the industrial commission, Frank Yetka, insurance commissioner, and Richard A. Golling, newly appointed secretary and actuary.

A bill has been introduced in the Virginia house which would require all firms employing seven or more persons to come under the workmen's compensation act. At present the limit is 11.

New York Security Fund for Taxicab Losses

The New York assembly has passed a bill to divide the security fund for automobile public conveyance insurance as between stock and mutual companies. It was created primarily to provide for the payment of losses in the taxicab line in insurance companies that fail. Stock and mutual companies have been subscribing to the same fund. The fund was to be built up to \$500,000 and then the contributions over that amount were to be returned to the companies. The mutual companies felt that the authorities had presumed that the mutuals were writing a larger volume of the taxicab business than they actually have been. Rather than argue the point, the mutuals consented to a division of the funds so that there will be a fund for stock companies and another for mutuals. The stock company fund is to be built up to \$150,000 and the mutual fund to \$350,000.

The International Claim Association will hold its annual meeting at the Broadmoor Hotel, Colorado Springs, Sept. 9-11. D. J. Reidy of the Guardian Life, New York, is president and is appointing his committees.

MASSACHUSETTS BONDING AND INSURANCE COMPANY

HOME OFFICE, BOSTON, MASSACHUSETTS

T. J. FALVEY, PRESIDENT

Condensed Financial Statement

DECEMBER 31, 1939

ASSETS

Cash in Banks and Offices.....	\$ 2,203,577.36
*United States Government Bonds.....	1,512,993.29
*Other Bonds and Stocks.....	12,386,777.95
Real Estate	3,049,949.53
Collateral Loans	160,013.98
Mortgage Loan	220,000.00
Premiums in Course of Collection (None over 90 Days).....	2,816,784.76
Accrued Interest	75,650.59
Deposit with Workmen's Compensation Reinsurance Bureau.....	230,970.35
Other Admitted Assets.....	171,550.25
Total Admitted Assets.....	\$22,828,268.06

LIABILITIES

Reserve for Claims.....	\$ 8,710,796.54
Reserve for Unearned Premiums.....	5,331,876.76
Reserve for Accrued Taxes Payable in 1940.....	532,453.03
Reserve for Commissions on Outstanding Premiums.....	567,800.84
Reserve for Other Liabilities.....	377,073.73
Total Liabilities except Capital.....	\$15,520,000.90
Voluntary Contingency Reserve.....	\$ 1,250,000.00
CAPITAL	\$ 2,000,000.00
SURPLUS	4,058,267.16
SURPLUS TO POLICYHOLDERS (Insurance Dept. Basis).....	6,058,267.16
Total	\$22,828,268.06

*As prescribed by Insurance Department regulations, all bonds eligible for amortization are so valued in this statement. Bonds not eligible for amortization, bonds in default, and all stocks are carried at December 31, 1939 market values.

*Bonds in the amount of \$848,132.69 amortized value are deposited with various States as required by law.

Transacts business throughout the United States, writing FIDELITY, SURETY and FORGERY BONDS and ALL KINDS of CASUALTY INSURANCE.

CHICAGO BRANCH OFFICE: 1919 INSURANCE EXCHANGE

ARTHUR F. McCARTHY, Manager

ACCIDENT AND HEALTH

Loyal Protective Advances Cornett

W. B. Cornett, who is president of the National Accident & Health Association, has been appointed superintendent of agencies for Loyal Protective Life with headquarters at Columbus, O. For the past 12 years Mr. Cornett has served as field director at Columbus with supervision over Michigan, Ohio, Indiana and West Virginia. He entered the insurance business in 1921 and went with Loyal Protective in 1924. He is having a distinctive administration as president of the National Accident & Health Association.

James P. Gray, who has been with Loyal Protective 31 years, most of the time as superintendent of agents, now assumes the new title of field secretary. President J. M. Powell, who has also held the title of actuary, now gives up the latter title and Stuart F. Conrod becomes actuary.

Mr. Conrod is a fellow of the American Institute of Actuaries. He was formerly secretary and actuary of Western Empire Life of Winnipeg. He went with Loyal Protective a year ago as associate actuary. Mr. Powell will now be able to devote his entire time to the executive work.

Gordon S. Heath, who has been with Loyal Protective 14 years and has been its treasurer 10 years, assumes the additional duties of office manager.

Automobiles Cause the Major Claims

A breakdown of the accident cases of the North American Accident last year, there being 28,353 in total, shows that those in the home, office and store lead in number, and are second in the amount paid out. There were 12,643 accidents of this character and the North American Accident paid \$224,304. Automobile cases were 6,935 and yet the total paid out was \$542,731, giving evidence of the fact that there were many more fatal cases.

The number of sickness claims was 7,109, the largest number of cases being from diseases of the respiratory or-

gans, there being 2,837 for \$95,984 in amount. Diseases of the internal organs were 1,651 and accounted for \$112,664 in total benefits. Heart diseases were 567 with \$55,703 benefits. The total paid out for sickness was \$390,837 and for accident \$1,093,559. The company has paid out in claim payments since it was organized \$28,250,000.

Employer Must Contribute on Group A. & H. in Bay State

BOSTON — Orders issued by Commissioner Harrington make it mandatory for employers to contribute to the cost of all group accident and health policies sold in Massachusetts. The ruling does not apply to non-profit group hospitalization plans.

The commissioner's requirements are:

1. Where the premium is to be paid by the employer and employee jointly, the insurer shall require from the employer a minimum contribution of 1 cent per month per \$10 of weekly indemnity.

2. Any policy or policies offered to employees where the writing company specifies that a minimum number of percentage of employees must be covered is regarded as a group policy.

3. Any policy or policies advertised or represented as group or group rate policies offered to employees shall be considered as group policies.

4. When any policy (or policies) covering group life is combined with group accident and health, a separate contribution must be made to the premium of the accident and health coverage by the employer as specified above.

5. The statute does not require an employer contribution to death and dismemberment coverage, but where death and dismemberment is combined with accident and health coverage, the separate statutory contribution must be made to the premium of the accident and health coverage.

6. The ruling does not affect existing contracts for the remainder of their terms, but renewals must be written in accordance with this order.

Scan Policy Provisions and Claim Practices

NEW YORK — Certain provisions contained in the accident and health policies of some of the smaller casualty companies, came in for sharp criticism at the forum meeting sponsored by the Insurance Brokers Association here Monday night, particular object of attack being the provision relating to the use of liquor and of narcotics. Criticism was also leveled at the practice allegedly indulged in by certain concerns of denying liability upon such flimsy grounds as that the assured was driving the wrong way on a one-way street, when he met with an accident.

Business solicitors were cautioned to scan carefully policy conditions of all contracts, other than those of the standard variety and also to become informed as to the claim practices of the different carriers.

Millener and Fondiller Directors

The Columbian Protective of Rochester, N. Y., has elected John A. Millener of that city and Richard Fondiller of New York City as directors. Mr. Millener is an attorney who specializes on insurance law and has been its general counsel since 1928. He will continue in that office. He is secretary of the Federation of Insurance Counsel. Mr. Fondiller is a well known insurance actuary and a member of the actuarial firm of Woodward & Fondiller. The company writes life, health and accident in New York, Pennsylvania, New Jersey and Connecticut.

Offers Combination Coverage

The Ohio State Life's "comprehensive all-in-one" plan provides life, accident,

52nd Annual Statement

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY

Chattanooga, Tennessee

December 31, 1939

ASSETS

Cash in Banks.....	\$ 1,344,707.79	10.6%
U. S. Government Bonds.....	1,449,057.42	11.4%
State, County and Municipal Bonds.....	1,359,449.31	10.7%
Railroad Bonds.....	463,902.60	3.6%
Public Utility Bonds.....	595,859.51	4.7%
Industrial and Miscellaneous Bonds.....	744,321.65	5.9%
Preferred or Guaranteed Stocks.....	285,987.50	2.2%
First Mortgage City Loans.....	3,401,398.79	26.8%
First Mortgage Farm Loans.....	39,656.19	0.3%
Policy Loans.....	1,096,501.32	8.6%
Life Premiums Deferred or in Course of Collection.....	375,497.00	3.0%
Home Office Building.....	593,135.04	4.7%
Real Estate.....	245,658.95	1.9%
Accident & Health Premiums in Course of Collection.....	638,469.83	5.0%
Interest Due and Accrued and Other Assets.....	75,760.44	0.6%
Total Assefs.....	\$12,709,363.34	100.0%

LIABILITIES

Reserve Under Life Policies.....	\$ 5,820,332.50
Accident and Health Premium Reserve..	1,062,963.03
Accident and Health Claim Reserve....	1,834,701.34
Accident and Health Commission Reserve	110,152.73
Reserve for Taxes.....	306,989.72
Investment Fluctuation Reserve.....	275,506.23
Other Liabilities.....	15,141.57

Total Liabilities.....\$ 9,425,787.12

Capital Stock.....	\$1,750,000.00
General Surplus.....	1,000,000.00
Contingency Reserve ..	533,576.22

Surplus to Protect Policyholders.....\$ 3,283,576.22

TOTAL.....\$12,709,363.34

1939 FACTS

Life Insurance in Force.....	\$134,418,016.00
Gain in Life Insurance in Force.....	15,489,970.00
Accident and Health Premium Income.....	6,266,814.41
Gain in Total Income.....	937,756.31
Gain in Assets.....	1,531,157.20
Total Surplus to Protect Policyholders.....	3,283,576.22

BENEFIT PAYMENTS TO POLICYHOLDERS AND DEPENDENTS SINCE ORGANIZATION

\$48,916,612.07

Robert J. Maclellan
President

W. C. Cartinhour
Vice President and Secretary

WANTED

Field Man for Michigan Territory

Requirements: Must be under 40 years of age; good references. Must have recently traveled in the territory and have following among Michigan Agents: good knowledge of multiple casualty lines; (a knowledge of Fire Insurance is desirable but not absolute requirement); will represent both Fire & Casualty Companies. All inquiries confidential. A fine opportunity for the right man. **THE BUCKEYE UNION CASUALTY COMPANY**, Columbus, Ohio, Ira L. Morris, Secy.

Wanted

A & H man, under 35, for home office post A & H sales promotion. At least 2 years A & H sales experience. Excellent future. Write in confidence giving experience, reference, personal history. Address L-22, The National Underwriter, 175 W. Jackson Blvd., Chicago.

WANTED

Long established eastern Casualty Company desires experienced Special Agent, familiar with Pittsburgh and adjacent territory. ADDRESS L-19, NATIONAL UNDERWRITER 175 W. Jackson Blvd., Chicago

A BIRD IN THE HAND



Hold your preferred clients . . . with the additional technical skill, engineering experience and underwriting knowledge of this organization . . . a dual representation that pays dividends.

WE SPECIALIZE IN: Fire and Allied Lines . . . Automobile . . . Inland Marine . . . Plate Glass . . . Burglary . . . Automobile Public Liability (all forms) . . . Special Risk Public Liability.

Telephone: RAndolph 8090

**DEARBORN NATIONAL
INSURANCE COMPANY**

**GREAT LAKES
CASUALTY COMPANY**

HOME OFFICE: UNITED ARTISTS BLDG., DETROIT



GONE!
**MEANS OF FAMILY SUPPORT
LOST**
**BECAUSE OF A TAVERN BRAWL
SOME ONE MUST PAY**

AND IT IS USUALLY THE OWNER
OF THE BUILDING IN WHICH THE
TAVERN IS LOCATED

**JUDGMENTS ARE NUMEROUS
AND ARE FOR LARGE AMOUNTS.**
EVERY OWNER OR TRUSTEE OF A BUILDING IN WHICH
INTOXICATING BEVERAGES ARE SERVED
MAY LOSE HIS BUILDING
TO SATISFY A JUDGMENT.

FOR FULL PARTICULARS

A. F. SHAW & CO.
INSURANCE EXCHANGE, CHICAGO
Phone Wabash 1068

sickness and hospitalization coverage in one package. It pays \$50 per month for sickness indemnity for one year from fifth day of disability; \$100 per month for hospital confinement, payable for three months from first day of confinement, plus extra allowance for operating room anaesthetic, x-ray and laboratory; \$1,000 immediate cash payment in event of accidental death, plus \$100 per month for one year and \$50 per month for next 15 months, and \$50 per month for two years in event of natural death. Life insurance premiums are waived for total and permanent disability. Loan privileges, extended insurance and cash values are provided. It is issued only to men, ages 18-49, gainfully employed.

For classes AA and A, Health & Accident Underwriters Conference manual classifications, the quarterly premium for age 35 is \$15.46, based on participating endowment at age 85 plan, with premium waiver and accidental death benefits for standard life insurance risks.

The Ohio State has eliminated loss of time sickness insurance for women and has made a slight increase in premiums for loss of time accident insurance for women under certain forms.

Salt Lake Club Active

At the February meeting of the Salt Lake City Accident & Health Club, Nelson W. Aldrich, assistant to the manager of the Utah Copper Company, who is vice-president of the National Junior Chamber of Commerce and former president of both the Salt Lake City and Utah junior chambers, was the speaker.

The club will observe Accident & Health Insurance Week with a breakfast April 22. The speakers will be Governor Blood of Utah, Mayor Jenkins of Salt Lake City, Commissioner Neslen of Utah, H. A. Snow, president Salt Lake chamber of commerce, and Julien Bamberger, president Utah State Traffic Council.

Claude H. Tinslev, Jr., manager American Service Bureau, vice-president of the club, is acting president since the removal of President John J. Crane, Mutual Benefit Health & Accident, to Waterloo, Ia.

Reginald Snyder Is Sales Manager

The American Hospital & Life of San Antonio, Tex., has promoted Reginald Snyder from agency manager at Fort Worth to the home office as sales manager. He has been succeeded at Fort Worth by R. H. McCreless, who has been connected with the San Antonio agency.

Ivey Sets Good Example

Walter M. Ivey, Monarch Life, former president of the Pittsburgh Accident & Health Managers Association, "illustrated the importance of accident and health insurance" at the Pittsburgh Insurance Day accident and health forum, his colleagues jokingly remarked.

Mr. Ivey attended on crutches. He suffered a broken right leg in a fall about two weeks ago, and sustained six days total disability. Most patients could justly claim a longer period for an accident so serious, but if Mr. Ivey wanted to set a good example for claimants, he could not have chosen a better argument than his own experience.

Plan A. & H. Week Observance

DETROIT—David Hoover, Reliance Life, was named chairman of the Accident & Health Week committee of the Detroit Accident & Health Association by President Kenneth O'Connor, Macabees, at the February meeting. L. L. Williams, Inter-Ocean Casualty, and C. E. Waddell, manager Loyal Protective, were named to assist him on the committee. An intensive observance of the week is being prepared in Detroit.

Thomas Hook, superintendent accident department Standard Accident and member of the Accident & Health Week general committee, outlined the activities of that committee and displayed samples of the material available.

H. E. White, California-Hawaiian Su-

gar Refining Corporation, showed motion pictures of the sugar industry.

A & H Week Committee Meet

A special meeting for eastern members of the general committee of the 1940 Accident & Health Insurance Week has been called by Chairman Harold R. Gordon for March 5 in New York City.

Currie Heads Boston Casualty

Carl J. B. Currie, prominent in the wholesale grain trade and a past president of the Grain Association of Boston, has been elected president and a director of the Boston Casualty, succeeding L. Scott Roe. There is no other change in officers.

Chicago Plans Special Events

Two special events in April are being planned by the Chicago Accident & Health Association. The annual stag will be held April 9 with C. S. Revenagh, Maryland Casualty, as chairman. The annual Accident & Health Week breakfast will be held April 23 in charge of Donald E. Compton, Provident Life & Accident.

Sommer Milwaukee Speaker

MILWAUKEE — Armand Sommer, Continental Casualty, Chicago, spoke on "Hospital Associations" at the February meeting of the Milwaukee Accident & Health Association. Plans were discussed for the local observance of Accident & Health Insurance Week in April. R. L. Paddock, Time, member of the general committee, spoke.

Skier's Insurance in Canada

TORONTO—In view of the growing demand for ski insurance in Canada, rates for various risks have been announced. One company issues skier's accident insurance, which can be purchased from railway ticket agents. The premium is 25 cents for 24 hours; principal sum \$3,000 at death, or \$15 per week total disability, \$9 partial disability up to 52 weeks.

Another company charges \$1 for four days; principal sum \$5,000; \$25 weekly total indemnity, or partial disability \$15; both up to 52 weeks.

New England Parley March 1

BOSTON — A regional meeting of the New England members of the Health & Accident Underwriters Conference will be held here March 1. Harold R. Gordon, executive secretary, will attend.

W. M. Chittenden Resigns

W. M. Chittenden, Illinois accident and health field supervisor of the Hoosier Casualty, has resigned.

J. G. Hill, Travelers accident department underwriter, is making a tour of Texas agencies.

Ralph Stodghill, for 13 years with the New York Life in Tulsa, Okla., has resigned to become president and general manager of the American Mutual Casualty, formed there last July to write hospitalization contracts.

Glass 50-50 Plan Is Now Barred in Eight States

In addition to Nebraska, which just recently issued a ruling prohibiting the use of the 50-50 plan of writing plate glass insurance, the states in which this plan is outlawed are: Georgia, Louisiana, Maine, New York, Oklahoma, Pennsylvania and South Carolina. The attitude of North Carolina is not clearly understood at company headquarters and correspondence is being conducted to get a clear understanding there.

The Newark branch office of the Aetna Casualty will hold an all-day conference March 5. Several home office officials will be in attendance.

NEWS OF THE CASUALTY COMPANIES

Hartford Accident Had Profitable Year

The Hartford Accident showed a decrease in premiums of 1 percent. The assets were \$81,951,688, increase \$6,261,725; premiums \$37,818,653, decrease \$347,447; investment income \$1,612,882, increase \$31,606; losses paid \$13,901,416, decrease \$145,528; losses incurred \$15,456,543, increase \$598,271; loss reserve \$28,051,622, increase \$1,555,127; premium reserve \$16,200,735, increase \$306,915; voluntary reserve \$10,545,282, increase \$2,251,572, net surplus \$19,000,000, increase \$2,000,000; capital \$3,000,000.

Losses and expenses paid accounted for 36.76 percent and 48.74 percent respectively of the income from premiums written. On the basis of losses incurred and expenses incurred and premiums earned the ratios are 41.2 and 49.28 percent respectively. The underwriting gain is \$3,341,384. Besides paying an increased dividend of \$400,000 to the parent company, the Hartford Fire, and setting up an additional reserve of \$100,000, the voluntary reserve was increased by \$2,251,572 and the surplus by \$2,000,000.

American Surety and New York Casualty

The American Surety shows assets \$26,629,248 of which \$11,022,671 are bonds and stocks. The cash is \$5,276,619. Its real estate is \$8,235,000. Its premium reserve is \$6,191,656, reserve for reported losses \$3,612,030, reserve for unreported losses \$1,341,231, capital \$7,500,000, net surplus \$5,837,363. Its assets showed a decrease of \$113,731. Its premium reserve increased \$326,539 and its surplus went up by \$636,841. Its premiums were \$10,027,313, increase \$738,480. Its total income was \$10,441,068, increase \$223,348. Its losses were \$2,303,306, increase \$394,704, total disbursements \$8,988,937, increase \$706,027. The underwriting profit after reserves, including provisions for federal income tax was \$774,031. The total net earnings were \$1,376,641.

The total number of claims presented were 26,556 of which 9,684 were workmen's compensation, 6,199 auto property damage, 2,395 blanket bonds, 2,381 miscellaneous liability. There was an increase of 7,064 in number of claims. The loss ratio of fidelity and surety was 15.93, burglary and forgery 14.73, plate glass 33.13, other casualty claims 32.48. The American Surety has 41 branch and service offices, and 9,970 agents and attorneys on a commission basis.

New York Casualty

The New York Casualty showed assets \$5,446,441, of which \$2,647,606 was stocks and bonds, \$1,406,759 cash, premium reserve \$1,516,608, reported loss reserve \$1,000,560, unreported loss reserve \$310,494, capital \$1,000,000, net surplus \$1,250,459. The earned premiums were \$2,683,362, increase \$11,179. The total income was \$2,808,433, increase \$19,983. The losses were \$926,834, decrease \$22,646, total disbursements \$2,459,274, increase \$53,129. There was added to surplus \$292,696.

American Surety has two other running mates, Canadian Surety and Mexican

Surety. The Canadian Surety has assets \$1,696,628, capital \$500,000, net surplus \$632,354. The Mexican Surety has assets \$557,176, capital \$86,207, net surplus \$195,763.

Handsome Gains Recorded by Preferred Accident

Preferred Accident at the close of 1939 had assets of \$9,507,242, capital \$1,000,000, and net surplus \$2,950,945. Premium reserve was \$2,199,510, and claim reserve \$1,927,777. Assets increased \$448,489, and premiums were larger by \$726,791.

The affiliated Protective Indemnity reported assets of \$2,316,272, capital \$1,000,000, net surplus \$808,755, premium reserve \$218,269, claims reserve \$186,292. Substantial gains were made in both assets and premiums.

Ocean Accident New Statement Reflects Strength

Ocean Accident's latest statement shows assets of \$18,319,571, deposit capital \$900,000 and net surplus \$4,713,466. Premium reserve is \$4,369,449 and claim reserve \$7,376,083. Underwriting profit for 1939 was \$1,026,471.

New Officers for Republic Mutual

W. C. Chesbrough, formerly connected with a chain of motion picture theaters, has been elected vice-president of the Republic Mutual of Columbus, O. Clare E. Cook has been made secretary-treasurer, succeeding Miss Lucille E. Anderson. New directors are Dr. Clark G. Axline, K. G. Morris and E. F. Wildermuth.

Central Surety Pays Extra

Central Surety has paid a quarterly dividend of 40 cents and an extra of 20 cents. The payment was made Feb. 15 to stock of record Jan. 31.

C. W. Nash, chairman of the board of Nash-Kelvinator Co., and H. E. Wood, for 12 years vice-president and manager of the fidelity and surety department of the Pacific Indemnity, have been elected directors of that company.

The Atlas Mutual of Cincinnati has filed voluntary dissolution papers. Its business has been reinsured in the Community Mutual Casualty.

Associated Indem., Cal.—Assets, \$6,470,248; inc., \$446,192; unearned prem., \$855,058; loss res., \$132,489; liab. res., \$576,876; comp. res., \$2,242,115; capital, \$750,000; surplus, \$1,000,000. Experience:

Net Prem. Losses Pd.	
Accident	\$ 19,677 \$ 8,214
Health	176,530 103,664
Auto liability	487,922 278,444
Other liability	549,299 189,350
Workmen's comp. ..	2,955,256 1,246,731
Fidelity	13,965 7,688
Surety	13,232 4,790
Plate glass	24,465 11,977
Burglary and theft ..	14,637 2,730
Auto prop. damage ..	175,722 83,095
Auto collision	105,943 48,188
Other auto	9,350 6,758
Total	\$4,545,998 \$1,991,629

American Indem., Tex.—Assets, \$4,236,359; inc., \$315,959; unearned prem., \$1,093,319; loss res., \$129,771; liab. res., \$650,586; capital, \$1,000,000; surplus,

\$675,000 (bonds amortized, stocks convention); inc., \$75,000. Experience:

Net Prem. Losses Pd.	
Auto liability	\$ 916,801 \$ 359,626
Fidelity	14,155 4,566
Surety	48,220 23,620
Plate glass	34,063 8,607
Burglary and theft ..	33,852 6,231
Fire	144,986 61,986
Tornado	27,215 11,468
Auto prop. damage ..	318,697 145,671
Auto collision	256,748 110,501
Other auto	221,897 74,439
Total	\$2,016,544 \$ 806,755

Central Mut. Cas., Mo.—Assets, \$193,643; inc., \$19,134; unearned prem., \$89,279; loss res., \$11,235; liab. res., \$21,025; surplus, \$61,284; inc., \$7,359. Experience:

Auto liability	\$ 107,608 \$ 53,984
Plate glass	15,356 4,660
Auto prop. damage ..	33,118 18,183
Auto collision	22,574 9,160
Other auto	45,146 19,604
Total	\$ 223,802 \$ 105,591

Chicago Ice Producers Mut. Liab.—Assets, \$415,444; inc., \$9,188; unearned prem., \$17,120; loss res., \$364; liab. res., \$13,326; comp. res., \$27,207; surplus, \$338,543; inc., \$3,273. Experience:

Auto liability	\$ 25,774 \$ 8,576
Other liability	4,222 1,036
Workmen's comp. ..	52,063 23,850
Auto prop. damage ..	9,475 5,143
Auto collision	1,256 57
Other auto	3,739 100
Total	\$ 96,529 \$ 38,792

Chicago Motor Club—Assets, \$4,071,730; inc., \$113,470; unearned prem., \$1,475,127; loss res., \$146,384; liab. res., \$1,104,742; surplus, \$1,045,069; inc., \$7,283. Experience:

Auto liability	\$1,366,656 \$ 369,309
Auto fire	95,018 24,123
Auto theft	292,523 34,152
Auto tornado	14,189 1,838
Auto comprehensive ..	55,141 23,551
Auto prop. damage ..	466,578 138,902
Auto collision	669,455 323,113
Other auto	520 452
Total	\$2,960,079 \$ 915,441

Columbia Cas., N. Y.—Assets, \$8,095,310; inc., \$505,559; unearned prem.,

\$1,926,877; loss res., \$410,717; liab. res., \$873,814; comp. res., \$709,633; capital, \$1,000,000; surplus, \$2,793,409; dec., \$96,477. Experience:

Net Prem. Losses Pd.	
Accident	\$ 90,196 \$ 25,113
Health	11,673 9,229
Auto liability	993,235 246,840
Other liability	406,116 89,789
Workmen's comp. ..	780,584 272,470
Fidelity	190,909 96,247
Surety	197,287 13,877
Plate glass	62,134 20,089
Burglary and theft ..	154,007 31,290
Steam boiler	104,735 13,858
Engine and mach.	73,258 26,880
Auto prop. damage ..	310,282 90,343
Auto collision	12,019 3,398
Other P. D. and coll. ..	27,504 4,584
Sprinkler leakage	209
Total	\$3,414,148 \$ 944,066

Detroit Auto Int.-Ins. Exch.—Assets, \$6,902,636; inc., \$699,102; unearned prem., \$2,668,681; loss res., \$163,566; liab. res., \$848,027; surplus, \$2,820,095; inc., \$50,053. Experience:

Net Prem. Losses Pd.	
Auto liability	\$2,174,121 \$ 725,939
Auto prop. damage ..	924,817 416,189
Auto collision	1,405,446 909,689
Other auto	728,634 276,691
Total	\$5,233,018 \$2,328,508

Employers, Ala.—Assets, \$437,189; inc., \$19,349; unearned prem., \$120,000; loss res., \$4,865; liab. res., \$26,545; comp. res., \$79,047; capital, \$100,000; surplus, \$81,117; inc., \$16,084. Experience:

Net Prem. Losses Pd.	
Auto liability	\$ 95,875 \$ 52,037
Other liability	18,859 2,663
Workmen's comp.	239,049 109,696
Plate glass	1,730 722
Fire and theft	8,757 1,531
Auto prop. damage ..	26,699 10,579
Auto collision	8,416 4,047
Other P. D. and coll. ..	6,608 908
Hospital	3,917 1,683
Total	\$ 410,020 \$ 183,865

Factory Mut. Liab., R. I.—Assets, \$12,963,089; inc., \$62,703; unearned prem., \$1,037,215; loss res., \$104,237; liab. res.,

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\$2,798,477; guar. fund, \$250,000; surplus, \$7,203,461; inc., \$703,118. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$2,191,044	\$ 714,552
Other liability	7,476	158
Burglary and theft	15,732	1,723
Auto prop. damage	542,051	164,729
Auto collision	210,272	62,554

Total\$2,966,576 \$ 943,716

Farmers Mut. Liab. Ind.—Assets, \$529,603; inc., \$82,646; unearned prem., \$173,972; loss res., \$17,890; liab. res., \$51,130; comp. res., \$75,149; surplus, \$154,801; inc., \$39,722. Experience:

	Net Prems.	Losses Pd.
Auto fire	\$ 17,962	\$ 3,968
Auto wind	4,314	717
Auto liability	97,945	53,118
Other liability	4,344	650
Workmen's comp.	112,785	64,801
Occupational disease	1,696	47
Plate glass—auto	1,395	855
Auto burg. & theft	13,420	2,424
Steam boiler med. pay	985	.....
Auto prop. damage	55,495	20,318
Auto collision	89,146	71,393
Other P. D.	973	165

Total\$ 400,460 \$ 218,456

Fireman's Fund Indem.—Assets, \$11,351,309; inc., \$608,233; unearned prem., \$2,644,592; loss res., \$436,322; liab. res., \$2,120,994; comp. res., \$1,377,096; capital, \$1,000,000; surplus, \$2,046,260; inc., \$164,921. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 249,242	\$ 135,532
Health	39,172	19,534
Auto liability	1,493,960	593,346
Other liability	988,632	298,402
Workmen's comp.	1,582,279	749,167
Fidelity	230,738	50,997
Surety	333,435	43,803
Plate glass	97,360	36,103
Burglary and theft	196,193	39,095
Auto prop. damage	401,840	180,432
Auto collision	28,036	12,050
Other P. D. and coll.	84,151	15,059

Total\$5,725,042 \$2,173,526

General Accident—Assets, \$38,488,459; inc., \$1,859,848; unearned prem., \$8,367,427; loss res., \$972,170; liab. res., \$7,634,416; comp. res., \$3,791,169; capital, \$550,000; surplus, \$12,710,210; inc., \$1,444,331. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 736,744	\$ 247,249
Health	488,992	192,527
Auto liability	8,358,654	3,136,997
Other liability	1,602,274	371,464
Workmen's comp.	3,215,304	1,503,717
Plate glass	206,608	93,732
Burglary and theft	505,082	147,918
Steam boiler	75,631	4,919
Engine and mach.	8,588	8,958
Auto prop. damage	2,207,987	949,427
Auto collision	217,015	81,562
Other P. D. and coll.	12,663	11,657

Total\$17,692,842 \$6,750,127

Goodville Mut. Cas., Pa.—Assets, \$185,618; inc., \$19,783; unearned prem., \$59,063; loss res., \$2,420; liab. res., \$18,103; surplus, \$98,576; inc., \$25,577. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 68,286	\$ 12,384
Auto prop. damage	50,086	9,611

Total\$ 118,372 \$ 21,995

Great Central Mut., Ill.—Assets, \$41,622; inc., \$14,076; unearned prem., \$5,694; loss res., \$2,725; surplus, \$32,177; inc., \$11,634. Experience:

	Net Prems.	Losses Pd.
Burglary and theft	\$ 77,121	\$ 16,005

Total\$ 77,121 \$ 16,005

Hartford Live Stock—Assets, \$1,440,414; inc., \$44,003; unearned prem., \$270,607; loss res., \$43,518; capital, \$500,000; surplus, \$573,226; inc., \$93,628. Experience:

	Net Prems.	Losses Pd.
Live stock	\$ 591,560	\$ 399,163

Ill. Agricultural Mut.—Assets, \$2,321,153; inc., \$331,802; unearned prem., \$469,888; loss res., \$172,611; liab. res., \$477,234; empl. liab. res., \$21,222; surplus, \$1,143,506; inc., \$121,979. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 16,561	\$ 1,538
Auto liability	538,536	226,866
Employers liability	38,743	10,264
Fire, wind & theft	225,944	34,767
Auto prop. damage	229,966	118,686
Auto collision	570,276	433,003
Live stock	5,945	3,774

Total\$1,625,971 \$ 828,898

Ill. Mut. Cas.—Assets, \$149,977; inc., \$21,784; unearned prem., \$64,222; loss

res., \$30,347; surplus, \$46,770; inc., \$6,167. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 334,954	\$ 59,762
Health	.....	89,902
Total	\$ 334,954	\$ 149,664

Inter-State Bus. Men's Accel., Inc.—Assets, \$533,000; inc., \$9,397; unearned prem., \$58,770; loss res., \$59,480; surplus, \$353,099; inc., \$4,642. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 212,613	\$ 94,292
Health	197,005	99,901
Total	\$ 409,618	\$ 194,193

Iowa Mut. Cas.—Assets, \$313,065; inc., \$35,911; unearned prem., \$108,850; loss res., \$7,181; liab. res., \$61,850; contingency res., \$50,000; surplus, \$75,114; inc., \$13,990. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 116,123	\$ 40,611
Plate glass	14,410	5,904
Auto prop. damage	52,610	19,022
Auto collision	47,728	29,945
Other auto	36,033	10,477

Total\$ 266,806 \$ 105,962

London & Lanc. Indem.—Assets, \$6,442,652; dec., \$48,659; unearned prem., \$1,948,040; loss res., \$397,215; liab. res., \$1,293,263; comp. res., \$437,931; capital, \$750,000; surplus, \$1,200,070; dec., \$145,157. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 276,307	\$ 116,088
Health	11,836	5,751
Auto liability	1,140,080	692,854
Other liability	615,808	269,848
Workmen's comp.	520,601	265,051
Fidelity	44,156	13,324
Surety	172,062	960
Plate glass	119,061	44,524
Burglary and theft	179,681	43,410
Auto prop. damage	321,677	142,903
Auto collision	16,529	5,020
Other P. D. and coll.	16,895	5,014

Total\$3,434,693 \$1,604,747

Medical Protective, Ill.—Assets, \$3,007,819; inc., \$104,491; unearned prem., \$505,425; liab. res., \$1,529,786; capital, \$300,000; surplus, \$625,988; inc., \$11,979. Experience:

	Net Prems.	Losses Pd.
Other liability	\$ 983,094	\$ 441,978

Mid-Western Cas., Inc.—Assets, \$122,292; inc., \$2,422; unearned prem., \$33,448; loss res., \$16,813; liab. res., \$5,590; inc. guar. fund, \$54,208; inc., \$697. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 46,841	\$ 24,763
Auto liability	19,244	6,473
Other liability	1,575	29
Burglary and theft	3,961	396
Auto prop. damage	14,381	4,581
Auto collision	29,500	11,116
Other P. D. and coll.	1,873	190
Other auto	27,157	8,592

Motorists Mut., O.—Assets, \$1,097,886; inc., \$149,094; unearned prem. & guar. prems., \$438,591; loss res., \$54,699; liab. res., \$246,750; surplus, \$254,713; inc., \$53,786. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 27,289	\$ 4,831
Auto liability	415,331	149,045
Glass breakage	7,226	2,990
Fire, wind & theft	100,637	19,274
Auto prop. damage	181,809	74,164
Auto collision	152,017	69,378

Total\$ 884,308 \$ 319,682

National Cas., Mich.—Assets, \$5,368,192; inc., \$734,738; unearned prem., \$1,117,201; loss res., \$474,986; liab. res., \$348,975; comp. res., \$212,143; capital, \$750,000; surplus, \$1,000,000. Experience:

	Net Prems.	Losses Pd.
Accident & health	\$3,280,564	\$1,349,381
Auto liability	351,853	117,689
Other liability	161,343	37,276
Workmen's comp.	256,293	108,046
Fidelity	21,624	242
Surety	32,695	4,072
Plate glass	24,095	9,334
Burglary and theft	50,813	10,692
Auto prop. damage	111,389	46,396
Auto collision	2,175	958
Other P. D. and coll.	7,826	635

Total\$4,300,675 \$1,684,240

National Mut., D. C.—Assets, \$177,308; dec., \$82,127; unearned prem., \$43,504;

loss res., \$7,226; liab. res., \$55,162; surplus, \$57,576; dec., \$3,152. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 119,063	\$ 90,650
Burg. & theft—auto	2,426	162
Auto prop. damage	68,544	31,435
Auto collision	5,849	997
Fire and tornado	1,777	51

Total\$ 197,569 \$ 123,295

Changing from an annual premium to a monthly premium basis on majority of business as policies come up for renewal accounts for the decrease in premiums written, decrease in admitted assets (premiums in course of collection), and is offset by the decrease in unearned premiums and reserve for agents commissions.

Northwestern Natl. Cas.—Assets, \$1,711,859 (market value \$69,404 greater); inc., \$138,196; unearned prem., \$396,871; loss res., \$44,127; liab. res., \$391,764; capital, \$200,000; surplus, \$558,881; inc., \$78,633. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 533,946	\$ 235,361
Auto prop. damage	205,077	75,725
Auto collision	26,111	10,997
Other auto misc.	27,897	7,098

Total\$ 793,032 \$ 329,181

Occidental Indem.—Assets, \$4,606,968; inc., \$708,236; unearned prem., \$580,441; loss res., \$53,932; liab. res., \$682,142; comp. res., \$351,224; capital, \$1,000,000; surplus, \$1,599,674; inc., \$322,685. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 23,400	\$ 7,555
Health	1,203	51
Auto liability	493,231	154,625
Other liability	373,367	67,717
Workmen's comp.	430,033	200,618
Fidelity	60,752	14,353
Surety	60,855	7,020
Plate glass	16,156	5,412
Burglary and theft	61,204	14,659
Auto prop. damage	32,596	10,646
Other P. D. and coll.	45,381	4,530

Total\$1,598,212 \$ 487,192

Ocean Accident—Assets, \$18,319,571; dec., \$211,198; unearned prem., \$4,311,248; loss res., \$858,954; liab. res., \$2,736,407; comp. res., \$3,332,116; deposit capital, \$900,000; surplus, \$4,713,466; inc., \$356,831. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 422,333	\$ 148,447
Health	192,855	120,040
Auto liability	1,458,627	748,395
Other liability	1,170,988	303,862
Workmen's comp.	2,433,478	1,341,486
Fidelity	292,495	103,756
Surety	105,986	11,641
Plate glass	165,021	60,971
Burglary and theft	445,225	93,819
Steam boiler	360,147	39,458
Engine and mach.	299,420	106,851
Auto prop. damage	442,025	213,458
Auto collision	16,813	7,883
Other P. D. and coll.	65,056	4,151
Sprinkler leakage	448	1,228

Total\$7,870,922 \$3,279,711

*Credit.

Old Line Auto, Ind.—Assets, \$54,844; inc., \$7,302; unearned prem., \$8,922; loss res., \$919; liab. res., \$4,210; surplus, \$32,216; inc., \$2,162. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 13,688	\$ 4,543
Auto fire	575	.....
Auto cyclone	73	.....
Occupancy	195	.....
Auto theft	758	33
Comprehensive	296	.....
Auto prop. damage	8,260	2,687
Auto collision	4,454	1,910

Total\$ 28,303 \$ 9,173

Pioneer Mut. Cas., O.—Assets, \$58,718; inc., \$14,040; unearned prem., \$28,652; loss res., \$3,017; liab. res., \$11,649; surplus, \$11,315; inc., \$8,949. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 21,165	\$ 6,538
Auto prop. damage	14,852	8,617
Auto collision	18,070	14,476
Other auto	12,727	4,438

Total\$ 66,814 \$ 34,069

Preferred Auto, Mich.—Assets, \$1,094,124; inc., \$101,532; unearned prem., \$311,928; loss res., \$50,548; liab. res., \$314,648; capital, \$200,000; surplus, \$187,539; inc., \$55,253. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 273,433	\$ 94,804
Auto prop. damage	188,895	59,669
Auto collision	142,018	71,883
Fire		

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(CONTINUED FROM PAGE 3)

if the agency is to show a steady development.

Mr. Beling recommended use of the line folder plan, under which all daily reports for an assured, regardless of class of business, are placed in one folder, the filing space serving as the line record. Pertinent correspondence may also be filed in these folders.

Expiration System

Where the line folder plan is employed, an effective expiration control system may be established by having the months of the year printed in a series of blocks across the top of the folder. As each daily report is filed, a metal signal is attached to the corresponding month of expiration, using a different color for each year. A five year cycle may be developed, the position of the cycle indicating the month of expiration and the color the year. In determining whether renewals should be written automatically or solicited, Mr. Beling recommended that each agent determine the average or unit cost of handling a policy, so that he should know what his premium must be before he can make a profit.

Small Savings Important

Other subjects discussed by Mr. Beling were filing, accounting, mailing, statistical data, collection methods and office personnel. He made the point that small savings are more important than many people realize, because a saving of \$10 per month is the equivalent from a profit viewpoint of \$1,500 a year in new premiums. Discussion of this subject was continued at one of the luncheon conferences.

CONSUMER COOPERATIVES

Mr. Rodgers said that there never was a more opportune time for a constructive discussion of capital stock insurance and the services of the agent. Every business man is concerned with the threat to his existence from consumer cooperatives and state socialism. He quoted from a recent article in "Nation's Business" which went into the matter exhaustively and defended the insurance business and the capital stock method.

In combating non-stock competition, Mr. Rodgers said that many proponents of capital stock insurance have unwisely concentrated upon a barrage of criticism of mutuals and reciprocals. While agreeing that their weaknesses should be pointed out, he advised building most of the argument around the services of capital stock insurance and of the agent. He said the average assured is willing to pay any difference in cost if he is convinced that services of the agent are worth it. He also pointed out the constant cost reduction brought about through the services of the stock companies and urged that this be forcibly brought to the attention of prospects.

LUNCHEON CONFERENCES

Each of the eight luncheon conferences attracted a goodly number, indicating a diversity of interest and an excellent choice of topics. Messrs. Beling and Bugli led the discussion on office overhead and Mr. Lake, E. E. Sanderson of W. A. Alexander & Co., Chicago, and G. A. Loud, St. Louis, Massachusetts Bonding, were co-chairmen at the luncheon in the discussion

of "What's New in the Casualty Business?"

The Illinois insurance code discussion was headed by R. T. Nelson, Springfield, chief deputy, and J. O. Brown, head of the agency license division, Illinois insurance department, and T. E. Dowling, East St. Louis, district chairman region 6. W. H. Stewart, Chicago, chairman advisory committee and past president Illinois association, and chairman of the surety committee of the National Association of Insurance Agents, and F. H. Doenges, St. Louis, manager Fidelity & Deposit, conducted the surety forum and Messrs. Rodgers and Jennings and L. H. Gift, president Illinois association, presided over the session on mutual and reciprocal competition. "1940 Farm Insurance Problems" was the topic at the forum headed by G. W. Olsen, Freeport, farm superintendent Crum & Forster group, and W. A. McNeil, Peoria, farm special agent Home of New York. H. R. Thiemeyer, Chicago, field superintendent North America group, and C. F. Daniels, Chicago, state agent Norwich Union, discussed special fire forms and coverages and S. L. Bodman, St. Louis, special agent Marine Office of America, and W. H. Redeker, Centralia, district chairman region 6, headed the forum on "Recent Inland Marine Trends."

Profit in Bond Sales

Mr. Stewart opened his remarks with a concise outline and description of the principal bonds which evoked universal praise. He said that the vast majority of agents who take the time and energy to get into the bond business find it the most profitable line of all. It is one line which must be sold, he said, and the fact that not more than 10 percent of the \$2,000,000 annual embezzlement loss in the United States is covered by insurance can be traced largely to lack of interest on the part of insurance men in the development of this particular line. It is not a difficult line, contrary to the belief of many, and by no means is it limited to large agents or to large cities. Agencies of all sizes and in all localities who have gone into the surety business recently have found it the best way to obtain other business and to protect existing business against competition.

After describing the various forms of fidelity bonds, Mr. Stewart pointed out that the companies have given the agents an excellent kit of tools and showed the advantages of the different forms in various situations. As examples of the additional business which should be obtained even from present fidelity assured, Mr. Stewart cited one case in which an employer carrying a \$20,000 bond suffered a loss of \$340,000, and another case in which a fidelity loss of \$1,000,000 was covered by a \$50,000 bond. He said that an agent's services are always needed when a loss occurs and that his office has never allowed a fidelity loss to get into a suit for over 20 years.

Illinois Bond Field

Mr. Doenges, who replaced Henry Bush, St. Louis, manager U. S. F. & G., who was ill, emphasized the simplicity of forms and the cooperative attitude of the companies. He said that Illinois is a particularly fertile field because its laws require bonds of more officials and for greater amounts than most states, 15 percent of all corporate surety public official business coming from this state.

Unfortunately, about 80 percent of the public officials required to be bonded still give personal bonds, and tremendous missionary work is needed, with big rewards in sight.

John Starkey, Clinton, told of his experiences with bankers blanket bonds. He said 15 percent commission is not enough in view of the work required of an agent, but he has found the fidelity business profitable because of the other business which it brings. He said he has sold over 4,000 bonds and has never had a loss.

Messrs. Stewart and Doenges and J. E. Auchly, St. Louis, U. S. F. & G., discussed meeting Lloyds competition on bank bonds. They all emphasized that selling the bank on the desirability of the agent's services and upon the stability of the company represented is the primary factor.

BODMAN'S TALK

Mr. Bodman said that the motor truck cargo line is no longer a difficult class to write. It constitutes one of the largest of all the marine classes. Illinois agents should be particularly interested in the line, because the state now requires line haul carriers, local carriers and specialized carries to have cargo insurance. In addition the private carrier who hauls his own merchandise is a good prospect for cargo insurance.

Baile insurance for cleaners and laundries is an old and established commission producing class that agents should develop. There has been a phenomenal increase in the ownership of yachts and motor boats in the past two or three years, he pointed out. The agent should give this line his attention. If there are gravel pits of sand and gravel companies operating on a river or lake it is almost always an opportunity to write marine insurance on equipment. Every contractor from the road or bridge builder down to the building contractor, contract welder or floor sander needs a contractor's equipment policy.

In view of the extensive oil development in southern Illinois, there are huge values in oil drilling equipment to be insured.

Not Optimistic on All Risks

Perhaps too much publicity has been given to some of the all risk lines and the personal property floater in particular, he said. The so-called all-risk premiums including jewelry, furs, personal effects, personal property floaters, etc., he declared, actually comprise a small percentage of the total volume of marine premiums. Attention has been directed to this department of the business, he said, for one thing because of the relative newness of the personal property floater which has led some to believe that there is commencing a new era when all business will be written under all-risk or perhaps one combined policy. Mr. Bodman expressed the belief that there is little or no substantiation for this belief. He feels that the saturation point for the personal property floater has apparently almost been reached at the present minimum premium level.

The all-risk lines have also been perhaps over publicized because many fire companies that have opened new inland marine departments have concentrated their attention almost solely on these lines.

Mr. Morris, a successful local agent, gave a number of practical business building suggestions and also made some criticisms of company procedure. He spoke enthusiastically of the new med-

ical expense payments endorsement. He said he believes that the coverage provides a new premium for that which was lost through the introduction of the A and A-1 rating plans. The cost is reasonable, the plan is simple and many sales will be made over the telephone, he declared. He spoke of the possibilities for the sale of the new druggists combination liability policy, of grantors protective liability insurance, which covers the possible liability of a person who has sold property for defects which might appear afterwards and the combination family liability policy, which he said gives the broadest coverage available at the lowest possible cost.

Mr. Morris said that doctors are particularly good buyers of accident and health insurance and they are shrewd buyers of this protection. In their trade publications articles are appearing giving advice on the subject. Most of these articles, he said, advise doctors to buy non-cancellable policies, paying for life for disability from their occupation rather than the usual indemnity of 12 months for their occupation and so long thereafter as the insured shall be wholly and continuously disabled and prevented from engaging in any occupation. Policies of this type for accident can be purchased, he said. Policies for health covering with this insuring clause can be bought covering for 100 months.

Suggestions on Rent Form

The speaker urged the producer to increase his sales of rent insurance. He said he objects, however, to the clause in the rent policy that reads "Not more than 1/12 of that amount for any one month and proportionate part thereof for any period less than one month." He suggested that the agent request the companies to delete that clause. With the clause deleted, he argued, agents will be able to write a smaller amount of total coverage at the regular fire and extended coverage rate.

He advocated changing the electrical exemption clause. The principal objection to the clause is the exclusion of coverage for damage to electrical apparatus from lightning or other natural causes. The agents have lost good will through the operation of this clause, the companies have paid many losses anyway and some of the states have already changed the form, he declared.

Need of Concurrence

In using the extended coverage endorsement, he declared, the agent should be careful to see that all policies are concurrent and read alike. If the extended coverage is attached to one policy it should be attached to all policies.

He spoke enthusiastically of insurance surveys and stated that the audit should be complete so as to become a permanent record.

The agents, he said, should insist that state officials investigate the type and amount of insurance carried on school buses. In some counties the insurance is grossly inadequate.

Casualty Manual Rules

He recommended that the agents study carefully the rule in the automobile casualty manual that provides the circumstances under which class 1 employees can be covered at class 2 rate in a non-ownership contract.

He advised his listeners to make use of the rules providing for the free use of the structural alteration and repairs permitted in connection with O. L. & T. liability insurance.

On important risks, he recommended that an appraisal be made by an authorized appraisal company or competent

contractor. The agent personally should check the warranties, endorsements and the rates in public liability, property damage, compensation, burglary, robbery and theft policies.

Mr. Morris recommended keeping a scrap book of sales suggestions and competitive material. If an agent is doing automobile financing, he suggested that a short statement be carried on the policy envelope stating that such facility is available and that if a customer intends to replace his car with a new one, the agent will arrange the service. He urged agents to utilize the financing facilities of banks and other concerns which leave the placing of the insurance to the agent. He said he hoped the time would come when insurance companies that are represented by local agents will cease to compete with their regular agents through the auto sales agency.

Auto Finance Conditions

"I hope the time has passed," he said, "when the payment of twice the commission scale allowed to us is paid to the auto concern, so as to allow the finance company to continue to pay the dealer bonuses with insurance commissions rightfully ours."

Mr. Morris said that he welcomes the visits of field men who bring new ideas but he does not welcome the field man who comes in the role of a collector or merely a good fellow and jokester.

Mr. Morris said that the standard companies should be more responsive in making changes, rather than waiting until competitors have skimmed the cream with a new device. He said that the bureau companies in the automobile casualty field waited too long before providing competitive quotations. The same criticism applies to plate glass insurance, he declared. The bureau companies waited until the outsiders had absorbed much of the business before authorizing the 50-50 plan.

Following Mr. Morris' talk, Mr. Giberson distributed a sales kit, containing an outline of the talk and a number of reprints of pertinent articles, including an outline of the application of the Illinois truck law.

The skit, "Irresistible Selling," was written by Mr. Niemeyer. Messrs. Schmale and Voellinger demonstrated various aspects of bad salesmanship in a way which won many laughs.

PUBLIC RELATIONS

Mr. Bugli said that public relations means simply ways and means of making friends for oneself and for his business and that the best public relations program in the world is not worth anything unless backed by a good product and heavy selling effort. He said that the three most important factors in any business man's life today are the general competition for the consumer's dollar, the growing trend toward governmental interest in the affairs of business and competition within the business itself. He cited the millions of dollars spent by manufacturers for advertising their products, all of which take money which the public might otherwise spend on insurance, and he pointed out that a recent survey showed that stock insurance agents lose four times as many renewals to other stock agents as to mutuals, although they consider mutual competition a dreadful threat.

The economic picture has changed from a seller's market to a buyer's market, the consumer has found a great choice of places where he can spend his money and he is demanding more and more facts about the products or services offered him. No business man can ignore this, Mr. Bugli said, nor can he successfully fight a trend with legislation designed to browbeat the public into doing business with him.

As contrasting examples of bad and good public relations, Mr. Bugli cited the railroads and the radio industry. Only after missing the challenge of public relations for 30 years and suffering because of it, did the railroads come to

life and begin to move along in the right direction. Already their new practices are paying dividends. On the other hand, the radio industry must live on public good will. Its executives must give the consumer what he wants to hear, must beware of the trend toward government interference and must compete against a variety of media for their share of the nation's advertising dollar. The radio has met this challenge, has spent tremendous sums of money doing it voluntarily and has made money consistently.

Mr. Bugli emphasized that the public knows very little about the insurance business and what little it does know is not always favorable. A large percentage of the public confuse life insurance salesmen with property insurance local agents, which is not to the advantage of local agents. Others think of property insurance in terms of fantastic publicity stories about ridiculous sums placed upon portions of actresses' anatomy. Some one is always trying to convince the public that insurance rates are too high, with or without foundation.

There are 10 possible points of contact between all business men, including insurance agents, and the public, Mr. Bugli continued. The five standard channels which he called "casual" contacts are activity in community affairs, the press, show windows, advertising and contacts with legislators and public officials. The "intimate" contacts are the agent's own office, his employees, his telephone, his letters and letterheads and his relations with his clients.

Work with Local Press

Mr. Bugli said that the average business man is stupid in his refusal to cooperate with the press. For some unknown reason, he seems afraid to give ordinary routine facts about any particular news story. He suggested that agents give their local reporters tips on what appear to be good stories and let them know about their own activities, always sending the local press a copy of the more significant parts of any talks they may make.

Agents waste many thousands of dollars in advertising each year because of lack of specific purpose. Mr. Bugli urged them to consult the advertising managers of their companies for ideas and help.

Regarding the agent's office, Mr. Bugli said that fewer chest-high counters and a few more comfortable chairs, with plenty of handy ash trays, will do more to win good will for the office than a full page of advertising in the local paper. He urged agents to get their own letterheads printed and to give themselves a break in displaying their own names. He described the letterheads supplied by most insurance companies as "standardized," "trashy" and "real relics with grotesque company shields and emblems and bearing the agent's name in ridiculously small type."

NEW TRUCK LAW

The new Illinois truck regulatory law is a torrid topic of conversation in the state at present and Messrs. Cohn and Fields spoke to a large and intent audience, which deluged them with questions and surrounded them after adjournment. Mr. Cohn said that the law has three objectives: elimination of the threat of monopoly in the use of the highways of the state, stabilization of competitive practices and public safety. He explained the classifications of line haul, public, private, merchant, miscellaneous, specialized, agricultural cooperative and state and municipal carriers and the requirements imposed by the law on each. He said that there are now 196 testing stations already in operation and that many more applications are being received.

Mr. Fields discussed the insurance requirements in detail, pointing out that cargo insurance is required only of the "for hire" group. He said that the matter of compliance with these require-

ments has been left up to the local agents and that he is confident of their cooperation.

Among the many questions raised in the discussion was that of the status of a garage operating a towing truck. The answer was that he will be classed as a private carrier if he uses this truck only for his customers, but will be a specialized carrier if the truck is on call to tow automobiles generally. It was also brought out that a farmer will not lose the status of a private carrier by occasionally hauling loads for neighbors without making a charge, but will become a public carrier if he makes a regular business of this. Laundrymen and dry cleaners who deliver goods entrusted to them by customers are not required to carry cargo insurance.

BELLEVILLE VIEWS

Because southern Illinois is serviced by the St. Louis offices of many companies, a number of executives from that city were present at the regional 6 meeting of the Illinois Association of Insurance Agents.

Board Chairman Jennings announced that four more regional meetings will be held in the state during the coming year. This was the second annual meeting in the southern Illinois region and much of the credit for the success of the regional meeting idea has been ascribed to Executive Vice-president Giberson, who was regional vice-president last year.

The W. A. Schickedanz agency of Belleville, general agents for Bituminous Casualty in southern Illinois, entertained at a cocktail party before the banquet. The agency was represented by W. A. Schickedanz, president, Elmer Schickedanz and R. C. Kaegel. From the home office of Bituminous Casualty at Rock Island came L. A. Kern, agency and advertising manager, and E. C. Coyne, superintendent of payroll audits. R. A. Coburn, Belleville manager of Bituminous Casualty, was also present.

Two other regional vice-presidents of the Illinois association, G. E. Mendeall, Peoria, and R. L. Weller, Springfield, were introduced. President Gift took an interested part in the entire meeting.

C. L. Morris, Springfield, secretary and general manager Illinois National Casualty, was on hand.

At the beginning of the afternoon session, Mr. Giberson introduced R. T. Nelson, Springfield, chief deputy Illinois department of insurance; K. M. Hickey, St. Louis, who brought greetings from the Missouri Association of Insurance Agents, and L. H. Glen, Springfield, head of fire department tax division of the Illinois Municipal League.

T. W. Butler, Alton, secretary Alton District Manufacturers Association, was a popular banquet toastmaster.

State Farm Group Reports Big Gains

(CONTINUED FROM PAGE 25)

of States" featured the first day's session. Minnesota was high in production for the sixth consecutive year and thereby qualified as parade leader, followed in order by Washington and Virginia.

The first two days of the convention Monday and Tuesday were featured by general sessions and addresses by various officers and representatives. Wednesday and Thursday there were conferences for state district and special agents.

Landis Dehl of Casey, Ill., was hailed as the "high top" producer for his state for the seventh consecutive year. Other record holders are O. L. Rose, Alta Vista, Kans., sixth consecutive year, and Charles Faudt, Lincoln, Nebr., fourth consecutive year.

As usual, G. J. Mecherle, chairman of the board, was in mellow form. Mr. Mecherle is extremely popular with all representatives and members of the official staff who love his kindly humor and respect his business acumen.

Governor Hell of Wisconsin recognized State Farm Mutual's entrance into Wisconsin in a very signal manner sending down a display advertising Wisconsin's dairy products. Each person at the banquet, which was attended by more than 2,300 persons, received a quarter pound

of cheese compliments of the state of Wisconsin.

Much hilarity was occasioned during the first morning's session previous to the "Parade of States" when representatives from Virginia presented Minnesota representatives with a model, life size billy goat. It signified their acknowledgement of defeat, at least in 1939, for high production honors.

An interesting feature of the convention was the travel bureau booth set up in the lobby. A large road map book and a well presented profusely illustrated magazine depicting State Farm activities and its leading policyholders were given away free.

Q. & A. Period at Pittsburgh Evokes Much Interest

(CONTINUED FROM PAGE 20C)

Is an employer permitted to select the employee to be covered under a blanket position bond? Answer: No.

Is there coverage when a car is operated in the employer's business by a paid employee under the age of 18? Answer: No.

What is meant by a franchise or average clause in a marine policy? Answer: It provides that the company is not liable unless the loss exceeds a certain amount and if it does exceed that amount, the company is liable for the entire loss subject to the policy limits.

Name the property in the Pennsylvania standard fire policy that is uninsurable? Answer: Patterns, money, dies, bullion.

Must an applicant personally sign for an accident and health contract? Answer: Yes in order to make it valid.

Upon what are the rates for accident and health based? Answer: Occupation and age.

If an insurance company is unable to replace plate glass immediately is it liable for the cost of putting up barriers under the plate glass policy? Answer: Yes, at a cost not exceeding \$75.

Does accepting ordinary bills of lading affect the marine policy? Answer: No.

Can a company cancel an accident and health policy if the assured does not violate any policy provisions? Answer: Yes, provided it is not an uncancellable contract.

Do farm labor and domestic servants come under the Pennsylvania compensation law? Answer: No.

In analyzing an applicant's financial statement with what feature is the contract bond underwriter mostly concerned? Answer: With his financial standing.

As a result of one accident, an injured person recovers \$3,000 against a motorist and another injured person recovers \$6,000. The man causing the injury was insured for public liability in limits of \$5,000/10,000. How much does the insurer pay? Answer: \$8,000.

What is the difference between a fire use and occupancy policy and a boiler U. & O. contract? Answer: The boiler policy is a valued form and pays the amount fixed in the endorsement whereas under the fire policy, the assured must prove the amount of the loss.

Is the obligation to pay premiums one of the estate or of the fiduciary? Answer: It is an obligation to the fiduciary but it is an expense chargeable to the estate.

In Pennsylvania, if an employer tells an employee to go to a certain place for medical treatment, but the employee goes elsewhere, is the employer liable for the medical fees? Answer: No.

Where does the jewelry and fur floater policy cover? Answer: World wide.

An agent issues a fire policy to a grocer and gets credit in his grocery bill for the premium. Is that transaction legal? Answer: No.

If a policy is terminated while the assured is collecting indemnity or is entitled to indemnity, is an accident and health claim affected? Answer: No.

For what term may a boiler policy be written? Answer: Any period up to four years.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Splendid Work in Safety Activity

Ward F. Senn of Minneapolis, head of the Pioneer Insurance Agency, and the new president of the American Mutual



WARD F. SENN

Life of Des Moines, has taken a leading part in his community in safety work. He writes THE NATIONAL UNDERWRITER, commenting on a recent editorial, bringing up the subject of whether Fire Prevention Week should not be changed from October to January. Mr. Senn is president of the Hennepin County Safety Council. In starting the organization three years ago there were four safety divisions set up, one dealing with traffic, one with industrial, one with home and one with fire prevention. In the fire prevention activities the council enlisted local organizations that had been active during Fire Prevention Week. It also got the Junior Association of Commerce interested. It has taken up Fire Prevention Week as an all-year activity. The American Red Cross has also included fire prevention as part of its home safety program.

President Senn has been successful in coordinating the efforts of the various organizations and because of it there has been developed a similar plan in the Minnesota State Safety Council. During the last year he calls attention to the fact that the National Safety Council has developed all country programs along similar lines. Mr. Senn takes the position that fire prevention, like traffic and industrial safety should be an all-year activity. He states that his organization is obtaining results in the brief time he has carried on its campaign.

Countersignature Irregularities Are Detected in Ohio

COLUMBUS, O.—Past irregularities of special agents who were also licensed as resident agents have been uncovered by Insurance Superintendent Lloyd in an investigation started by his predecessor regarding the production of business by non-residents. Some of these specials signed blank policy forms which were sent to the home office to be used in connection with brokerage business. They also gave blanket authority to one or more individuals in the home office to countersign in their name. No records were kept by these specials regarding

policies countersigned by them and in some instances they have not been able to furnish the department with any information regarding brokerage business.

It is charged by Superintendent Lloyd that in a number of instances policies were signed at the home office with a rubber stamp bearing the special representative's signature as a resident agent and that a considerable volume of business had been executed by special representatives, also licensed as resident agents, for the account of non-resident brokers or agents who were not licensed by Ohio when the contracts were executed.

Mr. Lloyd said that he regarded all these practices as violations or evasions of the Ohio statutes and, while he understands that they have ceased, the department will consider future infractions as not alone serious offenses but as raising the question of the right of the offender to a license.

It is understood that Superintendent Lloyd intends to direct the attention of all fire companies and their brokerage departments to a previous ruling prescribing how insurance on Ohio property shall be placed and to those sections of the law providing for the issuance of brokers' licenses to non-residents of Ohio and prescribing how the insurance may be placed.

Superintendent Lloyd pointed out that resident agents of Ohio may effect brokerage orders originating with non-resident agents or brokers covering Ohio property, and in connection with Ohio property, only for such non-resident agents or brokers as are duly licensed as foreign brokers by the department. He said that the law forbids a resident agent to accept business, either directly or indirectly, from a non-resident agent or broker who is not licensed by the department. The countersigning Ohio resident agent shall not mail or deliver the policy to other than the licensed non-resident broker, or directly to the assured, the superintendent warned.

Feature Fidelity Coverage at Minnesota Mid-year Meet

MINNEAPOLIS — Fidelity underwriting will get more attention at the Minnesota Association of Insurance Agents mid-year meeting March 7-8 than it ever has received at any Minnesota agents' meeting. The final afternoon's session will be devoted entirely to the fidelity end of the business, J. M. Hannaford, Jr., St. Paul, general chairman, announced this week.

Beginning with a luncheon Friday, the Surety Association of Minnesota will take charge of the program. Clarence F. Clark of the Fred L. Gray Co., Minneapolis, president of the Surety Association, will preside. There will be three principal addresses:

"The Cause of Fidelity Losses from the Human Interest Standpoint," J. Dillard Hall, assistant agency director U. S. F. & G.

"Fidelity Bonds Through the Claim Attorney's Eyes," F. W. Selsor, claims attorney Fidelity & Casualty, New York.

"Dishonesty Insurance from the Viewpoint of a Rate-Maker," Martin W. Lewis, president Towner Rating Bureau, New York.

A. V. Rohweder, president Minnesota Safety Council, will speak Friday morning on "The Relation of Insurance to Safety."

Need Credit-Insurance Cooperation

ST. PAUL—There never was a time when greater cooperation was needed

between insurance and credit men than at present, T. A. Fleming, National Board, told a joint meeting with credit experts sponsored by the St. Paul Exchange.

Mr. Fleming also spoke to the fire prevention school conducted by the Minneapolis Fire Prevention Council. He stressed the importance of building custodians knowing the various locations of fire prevention equipment and auxiliary aids.

Detroit Self-Insurance Plan

DETROIT—Mayor Jeffries has presented his plan for self-insurance for the city to the council, calling for establishment of a revolving fund out of which losses would be paid and the elimination of all fire, casualty and surety coverage now in effect. The city, he said, now pays about \$75,000 annually in insurance premiums.

"We would soon have quite a reserve for losses by fire and defalcation if we set aside \$75,000 a year," he said. "With that we could buy our own bonds and put them away as a reserve to cover losses." At his suggestion, the council deferred action for two weeks on awarding surety bond coverage. The three-year premium on these bonds is \$38,000. Meanwhile, the bonds were continued on a 30-day binder.

East Chicago's Fire Record

Fire Chief Finley of East Chicago, Ind., in his report shows there were 100 more fire alarms last year than the previous year. There was one major fire in an industrial plant which accounted for two-thirds of the total loss. Fire loss last year amounted to \$114,502, a per capita loss of \$2.078. The heaviest loss was \$80,870.

Verran Agency Absorbed

DES MOINES—The A. J. Verran agency, which had been in business in Des Moines more than 30 years, has been consolidated with the Witmer-Kaufman-Evans Company. Mr. Verran will enter the firm as an associate. Robert M. Evans, head of the purchasing firm, is a former president of the Iowa Association of Insurance Agents. Witmer-Kaufman-Evans has been in business more than 50 years.

Joint Meeting in Wichita

WICHITA, KAN.—More than 100 turned out for the joint meeting of the Wichita Insurers, Wichita Life Managers & General Agents Association and Wichita Life Underwriters Association, with the Wichita Insurers as hosts. Victor G. Henry of the Wichita Insurers presided and introduced Elmer C. Moore, New York Life, president of the Life Underwriters Association, and Lee Wandling, Equitable Society, president Managers & General Agents Association. Further joint meetings are proposed. The speaker was Dale Critzer, assistant cashier of the Fourth National Bank of Wichita.

Will Aid in Safety Work

KENOSHA, WIS.—The Kenosha Association of Insurance Agents pledged its support to all movements which stimulate safety and safety education and voted to cooperate with the Rock River Valley Safety Conference, which will meet in Kenosha April 25. A. N. Gail, local agent, is secretary of the conference. Procedure in handling public business such as city insurance through the board, which has a special committee headed by Joseph Funk, also was discussed.

Mutual Reinsurance Pool Elects

LANSING, MICH.—Four new member mutuals were taken into the Farm Excess of Loss Association at the an-

nual meeting here of this reinsurance pool for Michigan farm mutuals. The membership now includes 38 of 57 such mutuals operating in the state. P. B. Pierce, Redford, secretary Farmers Mutual of Monroe and Wayne Counties, was named president. L. P. Dendel was reelected secretary-treasurer.

Query Candidates on Stock Cover

GRAND RAPIDS, MICH.—The Grand Rapids Association of Insurance Agents is inquiring about the attitude of candidates for the city commission toward insuring tax-supported properties in stock fire and casualty companies. A questionnaire prepared by the association has been sent all candidates. It is requested that the candidate state definitely his view as to whether local governmental bodies should purchase stock company insurance and if they would recommend such purchases if elected.

Opens Cincinnati Office

Hardware Mutual of Minnesota has opened a Cincinnati office at 506 Schmidt building in charge of P. W. Sellen, sales manager, who will serve Ohio, Kentucky, Indiana and West Virginia. Mr. Sellen has represented the company in that capacity the past three years, but has not maintained an office. It is contemplated that the office will be expanded to include underwriting and issuing of policies in addition to sales.

Fergus Is Hutchinson Speaker

At the Hutchinson (Kan.) Insurance Board's luncheon meeting Feb. 20, E. B. Fergus, Wichita branch manager Kansas Inspection Bureau, was speaker. A. L. Blickenstaff of the Wade Patton agency was program chairman.

Hold Iowa Convention Sept. 4-6

DES MOINES.—The 1940 convention of the Iowa Association of Insurance Agents will be held here Sept. 4-6 with the Hotel Fort Des Moines as headquarters. The convention will get under way the evening of Sept. 4 with a meeting of the executive committee.

Selection was made by a committee composed of B. C. Hopkins, Des Moines; R. W. Forshay, Anita, and Secretary John S. Cutter of Shenandoah.

Neare, Gibbs Celebration

CINCINNATI—Neare, Gibbs & Co., pioneer river marine office observed its 75th anniversary with a dinner attended by home office representatives of companies represented in the agency and the agency's staff. George W. Neare, grandson of the founder of the agency, was toastmaster. Speakers included R. H. Bancroft, assistant secretary of St. Paul Fire & Marine, T. J. Goddard, vice-president of Federal, D. C. Bowersock, secretary of Providence Washington, and B. A. Thompson, Neare, Gibbs partner. A reception preceded the dinner.

Want Some Changes Made

TOLEDO, O.—A special committee has been appointed by the Toledo Association of Insurance Agents with J. M. Larmore as chairman to work out a plan, if possible, that will lead to the correction of certain discrepancies in the matter of extended coverage and windstorm insurance on dwellings. His associates are L. R. Stittler and Mrs. Ruth Davies.

Two Join Gregory & Appel

J. E. Ransel, Indianapolis insurance engineer, and John T. Sutton have been added to the staff of Gregory & Appel, Indianapolis. Mr. Ransel is a graduate of Armour Institute and later was with

the Indiana Inspection Bureau and more recently with the Home of New York in its Indianapolis office.

Lumbermen's Shows Gains

The Lumbermen's Mutual of Mansfield, O., shows in its annual report an increase of \$300,000 in net premiums, the largest increase in any single year in its history. Net premiums in 1939 totaled \$2,486,289. Assets totaled \$3,358,011, a new high, and policyholders' surplus, plus voluntary reserve, are \$1,204,855.

Millers of Alton Reports

Assets of Millers Mutual Fire of Alton, Ill., amount to \$3,354,491, an increase of \$145,000. Surplus amounts to \$1,750,229, which is an increase of \$44,400. Payments to policyholders during the year amounted to \$400,000. The cash item increased substantially amounting to \$1,725,307. Millers Mutual disposed of \$1,280,000 of government bonds at an advantageous point last year.

Mrs. Furgason Continues Agency

KANSAS CITY—Mrs. Cordelia Furgason, widow of the late Frank Furgason, will continue the Frank Furgason agency here. The Furgason name will be retained. The agency has represented one company, the Farmers of York, for over 75 years. Mrs. Furgason is a sister of Walter Chesnut, manager of the Western Adjustment here.

Cleveland Board Banquet April 25

CLEVELAND—The annual banquet of the Insurance Board of Cleveland has been set for April 25 at the Cleveland Club, now known as the Tudor Arms Hotel. The committee on arrangements is headed by E. H. Yost of the Yost Insurance Agency.

Sparlin Reelected President

SPRINGFIELD, MO.—The Springfield Fire Underwriters Association held its annual election and reelected Basil U. Sparlin, of Cox & Sparlin, president. The association met later with Superintendent Lucas to iron out grievances of some members against practices of certain Springfield agents.

McKown to DeVore Agency

Arch McKown, for some time with the C. G. Blakely agency of Topeka, has been named manager of the F. M. DeVore agency of Independence, Kans., by Mrs. DeVore, who is operating the agency since the recent death of her husband.

NEWS BRIEFS

R. L. Brown, president, Toledo, and Paul Wolverton, secretary, Akron, have set March 9 for the first 1940 meeting of the **Buckeye Club** in Columbus. Salesmen for the Federal Hardware Mutuals and Hardware Mutual Casualty compose the membership. Keen Young, sales manager for Federal will be on the program.

D. C. Lynn has been elected secretary-treasurer of the Wisconsin Tornado Mutual of Milton Junction, Wis. Prior to last July, Mr. Lynn was with the Wisconsin insurance department eight years.

E. J. Possin, associated with his father in the Possin Agency, Waupun, Wis., and Miss Helen Mildred Peachy of Milwaukee were married at the home of the bride's parents at Burnett, Wis.

The **Antigo, Wis.**, board of education has decided to place fire insurance on school buildings and contents, which expires March 15, in the Wisconsin state fund.

Mrs. P. W. Sears, local agent at Arkansas City for many years, is confined to a Winfield, Kan., hospital following a major operation.

The Carrollton, Mo., "Daily Democrat" the other day featured a letter written by **Great American** to its Car-

rollton agent, D. D. Thomas, complimenting the town on its splendid fire loss record for 1939. The losses for the year were less than \$2,000.

R. B. Shepard of Atlantic, Ia., has become special agent of the Farmers Mutual Hail of Des Moines for southwestern Iowa, succeeding Max Rutledge, transferred to Ohio as agency manager.

The **Michigan Business Development** committee has set up a series of 50 zone meetings for agents in the various districts of the state to be held during the spring months, starting at Plymouth April 3.

SOUTH

Texas Fire Rate Credits Announced

AUSTIN, TEX.—Fire insurance rate credits and penalties for Texas cities and towns have been announced by Commissioner Hall. The rate changes are effective for one year from March 1.

Maximum credit is 25 percent, allowed towns with loss ratios of 24 percent or less. Maximum charge is 15 percent, assessed those which have loss ratios of 75 percent or more.

Some of the credits and penalties for the principal cities are: Abilene + 20 percent; Beaumont + 20, Caldwell addition + 25; Big Spring — 15; Corpus Christi + 25, Dallas + 15, Highland Park + 25, University Park + 25, Forest Hills + 25, El Paso + 25, Fort Worth + 15, Houston + 20, Garden Villas + 25, Lindale Court + 25, Meadowbrook + 25, Oakwood Additional + 20, Southside Place + 20, West University Place + 25, Port Arthur + 25, Griffin Park + 25, San Antonio + 25, Alamo Heights + 25, Harlandale Gardens + 25, Los Angeles Heights + 25, Olmos Park Hill + 25, Terrell Hill + 25, Westmoreland + 25, Waco + 5, Wichita Falls + 15, Amarillo + 25, Austin + 20, Brownsville + 25, Brownwood + 25.

Insured fire losses in Texas for January amounted to approximately \$1,000,000, more than double the amount for the month in the years from 1935 to 1939, Commissioner Hall reports.

Fire losses in 1939 amounted to \$9,500,000.

Virginia Fire Rates Are Cut Again

RICHMOND, VA.—Another reduction in fire rates in Virginia has been ordered by the corporation commission. It is the fourth reduction ordered since 1930. Classes of property affected by the latest reduction are: 1—Brick mercantile buildings and contents, located under accredited fire protection of cities and towns, 10 percent reduction, the estimated savings being \$151,401. 2—dwellings, buildings and contents, located under accredited fire protection of cities and towns (a) elimination of exposure charges from other dwellings, \$303,145; (b) effect on other classes by this change, \$16,334; reduction of 2 cents in basic rate of brick dwellings for second class cities, \$8,213. The reductions are made retroactive to Jan. 1. Action of the commission was based upon study of actual fire losses in Virginia, it was explained. As these losses are reduced by better building standards and improved fire protection, rates are cut. Whether the rates will continue to be reduced, the commission said, depends on whether efforts toward better fire protection facilities and prevention activities are increased.

In another order, the commission discontinued the use of so-called flat rates in Staunton and placed that city on a scheduled rating. Rates in three other cities now on a flat rates basis—Alexandria, Charlottesville and Fredericks-

burg—are being investigated with a view of placing them also upon a scheduled rating.

Thomas W. Ozlin, chairman of the commission, quoting figures prepared by Commissioner Bowles, said that Virginians in 1940 will pay about 30 percent or about \$2,000,000 less for their fire insurance than they did in 1930.

Oppose San Antonio School Plan for Deductible Cover

SAN ANTONIO, TEX.—The school board of the independent school district here in 1931 decided to become a self-insurer and place in a reserve the amount of premiums paid each year for fire protection on school property. This year the school board has proposed to carry coverage of \$4,482,700 at a cost of \$10,000 for five years, with each loss subject to \$50,000 deductible. This plan covers 46 school buildings of semi-fire-proof construction, least likely to burn, leaving 19 buildings, frame, brick or stone, with wood interiors, valued at about \$4,000,000, unprotected.

The San Antonio Insurance Exchange has objected to this plan, because its officers and members believe such coverage is unsound. A committee acting for the entire membership of the exchange, composed of W. E. Fitch, president, A. G. Randol and W. S. Grothaus, with 50 agents in attendance, submitted various plans to the school board, under which the entire 65 school plants, buildings and contents, would be protected, with premiums for five years ranging from \$18,000 to \$36,000. These plans have not been accepted by the school board, and the plan for coverage with a \$50,000 deductible on any one loss has been submitted to the Texas fire insurance commissioner for his approval or disapproval.

Brundick & Bowles Has Long Tradition in Fla.

The principals in the Brundick & Bowles, Inc., general agency of Jacksonville, Fla., which was formed to succeed the Florida Underwriters Agency, Inc., are men prominent in their territory who have had lengthy experience in the business.

F. W. Brundick entered the business in 1910 with the Association of Fire Underwriters of Baltimore City. He was in the war for 2½ years and then traveled West Virginia as state agent for the America Fore group. He was later transferred to New York and still later to Florida. After two years in the latter state he became associated with the Florida Underwriters Agency, subsequently being appointed its manager. He is president of the newly formed corporation.

L. T. Bowles started with the Florida Underwriters Agency when it was owned and operated by the late E. A. Groover and he has been connected with that general agency uninterruptedly with the exception of war service. He is secretary-treasurer of the new corporation.

Under Mr. Brundick's management, the business of the general agency has increased more than 100 percent. The agency has always made a substantial profit for its companies except for the hurricane years. Brundick & Bowles are general agents for Florida for: Caledonian-American, Caledonian, North British & Mercantile, Westchester, Delaware Underwriters, City of New York, County Fire.

Sprinkler Leakage Claims

In some of the southern states there were a number of sprinkler leakage losses owing to the severe cold weather when the thermometer got down to zero or even below. Many of the buildings were not erected with the thought in mind that sprinkler pipes would be frozen. In the northern states where it is impossible to protect the pipes, the dry pipe system is used. In Texas, for

example, there were sprinkler leakage losses from all over the state.

Memphis Agency Is Organizing Fire Company

The agency of Treadwell & Harry, Sterick building, Memphis, is organizing a fire company to write fire, windstorm, extended coverage and motor vehicle in Arkansas, Mississippi and Tennessee.

The agency represents Federal, First National, General of Seattle, Millers National, and Baltimore American (inland marine). The members of the agency are Tim Treadwell, Geo. Treadwell, C. W. Rabb and A. A. Chighizola.

Would Require Examination

A bill has been introduced in the Kentucky senate by W. A. Attkisson of Louisville whereby applicants for licenses as agents would be required to take written examinations conducted by the insurance department. It has the endorsement of the Kentucky Association of Insurance Agents. A charge of \$3 would be made to each applicant. The passing grade would be 80 percent.

Otstot Speaks in Richmond

RICHMOND, VA.—S. G. Otstot, manager North Carolina Association of Insurance Agents, was the guest speaker at the February dinner-meeting of the Richmond Board. He stressed the importance of what he termed the co-extension of local boards, requiring all members to become affiliated with the state association.

New Florida Local Board Officers

TAMPA, FLA.—New Florida local board officers recently elected include: Broward county (Fort Lauderdale, Hollywood, Pompano and Dania), Roland Hardy, Pompano, president; Robert M. Haskins, Fort Lauderdale, secretary.

Jacksonville, Harold Younger, president; R. C. Winstead, secretary.

Lakeland, Frank H. Thompson, president; Georgia Potter, secretary.

St. Petersburg, L. D. Goheen, president; W. J. Johnson, secretary. Mr. Goheen gave a dinner to the members, with State President Mitchell Stallings as guest speaker.

Distribute Birmingham City Line

BIRMINGHAM, ALA.—The city of Birmingham has placed about \$7,700,000 of fire insurance on schools, libraries and other public buildings with 160 stock companies. Proportionately larger shares went to the two local companies, Birmingham Fire and Bankers Fire & Marine. Distribution among agents was handled by a committee headed by Charles L. Gandy of the Ed. S. Moore agency. Total premium on the business was \$49,436.

Form Macon, Ga., Board

A local board has been formed at Macon, Ga., with Sanders Walker as president; W. D. Griffith, vice-president, and Frederick Williams, secretary-treasurer.

Florida C. of C. to Probe Rates

The Florida chamber of commerce has named a committee to investigate fire insurance rates in the state, composed of N. P. Yowell, Orlando; T. F. Fleming, Fort Lauderdale, and O. Mitchell Stallings, Tampa. Mr. Stallings is president of the Florida Insurance Agents Association.

Carswell on "Office Routine"

President John W. Carswell of the Georgia Association of Insurance Agents addressed a joint meeting of agents and clerks in Atlanta on "Office Routine," his talk being the first of a series of educational meetings planned by the Atlanta board.

NEWS BRIEFS

The annual election of officers and delegates and initiation will be held by the **Heart of America Blue Goose March** 30 in Kansas City.

Ellis Gibson, Bartow, Fla., local agent, has been named the outstanding citizen for 1939 in his home town. The award is made every year by the Lions Club.

Harry A. Yates, vice-president of National Union Fire, is on a business trip to Dallas and Phoenix, Ariz.

C. A. Forrest, who has been with the Associated Mutuals for 12 years, has joined American Fire & Casualty of Orlando, Fla., in the fire department.

With purchase of the interest of Ben Voth, former co-owner, Paul Sisk and associates are now owners of the **Frates Company**, Tulsa, Okla., and its facilities will be expanded in important particulars, Sisk said in an announcement.

Construction of an office building at Riverside avenue and Stonewall street is planned by the **H. C. Hare Company**, Jacksonville, Fla.

COAST

Form Surplus Lines Group in Oregon

Oregon agents licensed to write business in companies not entered in Oregon, including London Lloyds, have formed the **Surplus Line Association of Oregon**. The objects are: To cooperate with recognized organizations of admitted insurance carriers and insurance agents for the proper use of the surplus line markets; to discourage and prevent violation of the Oregon law regarding surplus line insurance, and to encourage fair dealing between members, with the public and admitted insurance carriers. All members have accepted and pledged themselves to live up to the constitution and by-laws.

Officers Who Were Elected

Officers elected are: Chairman, J. E. Finkes, Swett & Crawford; vice-chairman, Ferry Smith, Dooly & Co.; secretary-treasurer, George Rodgers, Rodgers Insurance Agency, Portland, and the executive committee consists of J. D. Hurley, John Banks and Hugh Lacey.

At the first meeting of the executive committee, it was found inquiries had been received regarding the following classes of business, and it was decided that in conformance with the Oregon law it would be illegal to place with non-admitted carriers: (a) public liability and other collateral lines not to be used for aid in placing compensation; (b) excess fidelity coverage; (c) excess liability limits; (d) burglary. Any of these lines might be placed in the non-admitted market if and when the admitted market had been exhausted. In addition thereto it was decided all taxes should be shown on the assured's bills.

The association was formed at the request of Commissioner Earle of Oregon, and he and his deputy, W. F. Leary, cooperated in assisting the preliminary organization committee.

Details of Oregon Plan

Any surplus line agent is qualified to accept insurance which qualifies for surplus line coverage from licensed local agents.

The insurance department will act as a stamping bureau, and certificates or dailies on all business placed under surplus line must be referred to the department, with the affidavit as required by law, for approval. After being approved, the insurance certificate will be returned to the surplus line agent.

The constitution and by-laws of the **California Surplus Line Association** were followed as far as possible. Members of the California association, in-

cluding W. B. Swett and Charles Seeley, cooperated in aiding the Oregon organization committee.

Great American and Phoenix Groups in Coast Conference

SAN FRANCISCO — Executives of the Great American and Phoenix of Hartford groups participated in a joint conference with the Pacific Coast department organization here. After a general session where the field men of the companies in the groups were addressed, the Great American Indemnity conducted a separate meeting.

Head office executives attending included President W. H. Koop, Jesse S. Phillips, chairman of the board of the Great American Indemnity; A. R. Phillips, vice-president, and Clarence Evans, secretary of the fire group; George C. Long and P. C. Cothran, president and vice-president of the Phoenix of Hartford. Arrangements for the meeting were made by Clifford Conly and H. L. Simpson, associate managers of the fire companies and Dan McPeak and Alfred Hillback, joint managers of the indemnity company.

Form New Portland Department

PORTLAND, ORE. — An inland marine and Lloyd's department has been formed in the Portland office of Swett & Crawford with Edwin Singmaster in charge. W. K. Lowmsberry formerly conducted the firm's Lloyd's and inland marine business for both Portland and Seattle areas, but will now confine his activities to the state of Washington. Mr. Singmaster comes to Portland with three years' training in this specialized department at the San Francisco office.

Oregon Rules Amended

PORTLAND, ORE. — Amendments to the rules and schedules for fire insurance announced recently by the Oregon rating bureau include removal of the charge for consequential damage coverage on fruit risks under air conditioning systems, and the extension of rules governing the use of extended coverage endorsement form No. 3 to permit its use on superior, fire resistive, sprinklered mercantile risks, with a slight revision in rates. This form was formerly available only to superior, fire resistive, sprinklered manufacturing risks.

Bjodstrup With the Bureau

The Fire Companies Adjustment Bureau has appointed H. E. Bjodstrup to the San Francisco unit as a fire adjuster. From 1923 to 1936 he was with the Western Adjustment, first as adjuster at Sioux City, Ia., and later as manager of that branch. Prior to that time he was an independent adjuster in South Dakota, and before entering the loss field was a general contractor on building construction, with nine years experience.

C. B. Lyle, Phoenix Adjuster, Is Ill

PHOENIX, ARIZ. — C. B. Lyle, president of the well known adjustment company bearing his name, has been in the hospital since last Feb. 11, having been stricken with a bad case of streptococcus of the throat. He is expected to be released from the hospital soon and return to his home.

Fitch Leaves Ladd Company

PORTLAND, ORE. — C. E. Fitch has severed his connection with the Ladd Estate Company where he has served as manager and part owner of the insurance department. He has become affiliated with the Gerlinger-Richards agency and will confine his activities entirely to the production.

To Rule on Mutual Cover

DENVER — Attorney-general Rogers has announced that he will probably hand down an opinion by March 1 on whether state sub-divisions have a legal right to buy mutual insurance. The attorney-general is studying the record of

past cases in the state to determine whether or not the matter has been adequately ruled on by any state court.

U & O Discussed at Spokane

SPOKANE, WASH. — "Use & Occupancy" was discussed by Bruce M. Hay, Big Bend Land Company, at meeting of Spokane Insurance Association.

Commend Commissioner Earle

PORTLAND, ORE. — A resolution has been passed by Oregon Insurance Agents Association commending Commissioner Earle, who is retiring. The resolution states that Commissioner Earle's "first objective while in office has always been for the best interests of the insuring public."

North to Speak in Oregon

PORTLAND, ORE. — H. P. North, Pacific Coast Business Development executive, will address a series of meetings in Oregon on the growth and evils of the consumer's cooperative movement. The meetings are sponsored by the Oregon Insurance Agents Association. Meetings will be held at Medford, Feb. 27; Klamath Falls, Feb. 28; Salem, Feb. 29, and Eugene, Ore., March 1.

Robinson Named Manager

PORTLAND, ORE. — George Robinson, Portland agent who was formerly accident and health manager for the Firemen's group in Portland, has been named manager of the Allison-Dean Company.

Editor Crawford Changes Base

A. R. Crawford has resigned as associate editor of the "Underwriters Report" of San Francisco to become editor of "Pacific Insurance." He has been with the "Underwriters Report" since 1921.

Kulp Addresses Joint Meeting

DENVER — Substituting for H. K. Rogers of the fire prevention department of the Western Actuarial Bureau, who was called to the bedside of his mother in Kansas, W. J. Kulp, manager Mountain States Inspection Bureau, addressed a joint meeting of the Mountain Field Club and the Colorado Association of Insurance Agents, speaking on the program of the Fire Underwriters Association of the Pacific in San Fran-

cisco. Mr. Kulp stressed particularly the sales material presented.

Seek Uniform Interpretations

SAN FRANCISCO — It is understood that the Insurance Brokers Exchange of San Francisco is giving consideration to the desirability of establishment of a bureau of uniform interpretation. Recently a committee to look into the value of such a bureau was appointed by the exchange, and following study a resolution was adopted and sent to the Pacific Board to stimulate joint activity.

Jewett with Seyler-Day Co.

LOS ANGELES — W. W. Jewett has joined the Seyler-Day Co., general agents, and will be in charge of policyholders service. He succeeds Everett Smith, resigned. Mr. Jewett's father heads a local insurance agency in Seattle. He has been with the St. Paul group in San Francisco and more recently in Los Angeles.

Miss Eileen Eckstrom, Pacific National Bank, chairman of the national public speaking committee of the American Institute of Banking, addressed the **San Francisco Insurance Women's League** on office etiquette. The league started a series of lectures with G. O. Yocum, Fidelity & Guaranty Fire, discussing endorsements and office efficiency. On Feb. 29 J. H. Martin, Standard Forms Bureau, will discuss fire insurance fundamentals and March 14 Gilmore Wear, United States Fidelity & Guaranty, will lecture on bonds.

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EAST

Pittsburgh Program Again Discussed

The agents and company representatives of Pittsburgh may soon make a new approach to the problem of reaching an agreement on acquisition cost, general agency-local agency situations and related matters in Allegheny county. A year or so ago a determined effort was made to reach such an agreement. The interest waned, however, just as there seemed to be some hope of arriving at an accord. For one thing Ralph Alexander, who was manager of the Pittsburgh Insurance Agents Association, left that position to become deputy commissioner of Pennsylvania. He had been one of the leaders in negotiations looking to an agreement.

A. W. Pardew has just taken office as the new president of the Pittsburgh Insurance Agents Association. He is a respected leader in his city and it is understood that he desires to have another approach made to the problem. Both companies and agents have proceeded in these negotiations in the past with the utmost good feeling and with an endeavor to formulate a workable program that would not drastically upset situations of long standing and cause serious immediate loss to anyone. Some believe that an earnest effort should be made to develop a program and if it is found impossible to do so, then to forget about the matter.

New Jersey Local Agents Program

The completed program is announced for the mid-year meeting of the New Jersey Association of Underwriters to be held at the Essex House, Newark, March 7-8. T. S. Brown of Perth Amboy is president. G. E. Jamison of Newark is chairman of the reception committee and H. L. Brooks is chairman of the general committee. Mr. Brooks is past president of the Essex County Insurance Agents Association and Mr. Jamison is the present president. The program is as follows:

Thursday, March 7

11 a. m.—Executive session. Executive committee and committee chairmen. Reports of vice-presidents of state association.

Open meeting for the consideration and discussion of any business which local or county boards or members may desire to bring before the association.

Afternoon Session

12:30 p. m.—Luncheon.

Round table conferences and discussions on insurance topics, led by officers, committee chairmen, past presidents.

2:30 p. m.—"Let's Go Back to School," a feature arranged jointly by the educational and rural agents committees.

(A)—"Insurance Bee," conducted on the question and answer style. Questions

may be submitted in advance or in writing from the floor. Prof. Laurence J. Ackerman, educational director, schoolmaster; H. D. Holmes, educational chairman, and A. T. Riedel, rural agents chairman, co-chairmen.

Experts: Fire, Paul L. Thompson, state agent Fidelity-Phenix; W. T. Spiegelberg, special agent Newark Fire; Casualty, W. F. Downey, special agent General Accident; W. R. Van Nortwick, Jr., special agent Globe Indemnity; Inland Marine, C. W. Bouck, marine special agent Fireman's Fund; Surety, John A. O'Hea, special agent National Surety; Fire Loss Adjustments, F. W. Groves, Fire Companies Adjustment Bureau; Casualty Loss Adjustments, W. P. Braun, claims attorney United States Fidelity & Guaranty; Agency Systems and Management, Oscar Beling, agency systems superintendent Royal-Liverpool group.

(B)—Fifteen-minute quiz. A series of prepared questions to be answered "true" or "false." Professor Ackerman in charge.

(C)—Closing remarks by Co-Chairmen Holmes and Riedel.

7:30 p. m.—Get-together banquet; reception to national president.

Greetings, G. E. Jamison, president Essex County Insurance Agents Association.

Welcome on behalf of state association and introduction of J. M. Byrne, Jr., toastmaster, by State President T. S. Brown.

Remarks, L. A. Reilly, commissioner of insurance, New Jersey.

W. D. O'Gorman, Newark, president National Association of Casualty & Surety Agents.

Presentation of national president by C. S. Stults, past state president and past National association executive committee member.

Address, "Green Pastures," S. O. Smith, president National Association of Insurance Agents.

Friday, March 8

8:15 a. m.—Breakfast forum on production of fidelity insurance, conducted by Surety Underwriters Association of New Jersey. Speaker, John C. Brodsky, Fidelity & Casualty, "The Market for Dishonesty Insurance."

10 a. m.—Convention session, closed business meeting for members only.

Report of special committee on improvement of agency-company relationships in New Jersey.

11 a. m.—Open meeting.

Discussion of reports of officers and committee chairmen, published in the "New Jersey Agent," or rendered verbally.

"Insuring That Sale," a demonstration by members of the Essex County Insurance Agents Association. Participants: F. W. Westervelt, Jr., C. D. Minogue, T. S. Snyder, A. L. Zimmerman, C. W. Bollinger.

Afternoon Session

Greetings, A. H. Moore, governor of New Jersey.

"1940 Model Production Methods," Roy A. Duffus, Rochester, N. Y., secretary James Johnston Agency; member educational committee National Association of Insurance Agents.

"American Profit System or Cooperatives, Which?" T. W. Bethea, counsel New Orleans Insurance Exchange.

New Hampshire Educational Course Launched in Nashua

NASHUA, N. H.—The educational program of the New Hampshire Association of Insurance Agents will have its

Heads Group that Staged Pittsburgh Insurance Day

Charles F. Flaherty, as president of the Pittsburgh Insurance Club, had upon

his shoulders the primary responsibility for the observance of Pittsburgh Insurance Day Monday. He performed in splendid style and the day was another triumph for the Pittsburghers. Mr. Lowry is vice-president of Tene-Lowry, general agents for western Pennsylvania. He started 22 years ago with the old Western of Pittsburgh, which was later taken over by Superior Fire. His next connection was with Logue Bros. as counterman. Then he went with National Union as special agent in Allegheny county. He has been with Tene-Lowry 16 years. He has been very active in the Insurance Club, having been vice-president last year, chairman for two terms and a director for many years.



Charles F. Flaherty

first practical demonstration and test here with the opening of a course designed to raise the standards of local agents, brokers and agency employees. There will be an eight weeks course and if success crowns the efforts of the first school, others will be instituted in various parts of the state.

President Herman B. Davis of the Nashua association opened the school, with 30 in attendance as a member of the state association's educational committee. Eight lectures will be held Monday evenings, supervised by Earle T. Tracey, superintendent of schools. The principal will be Frank A. Morris, Concord, N. H., experienced insurance man and teacher. Company men will supplement with lectures on special subjects.

Mutuals Get City Line; Pay \$170,150

FALL RIVER, MASS.—The Improved Risk Mutuals won a contract for fire insurance on city buildings here a month ago and the past week were called upon to pay a loss of \$170,150 on the city-owned Weetamoe Mill property which burned. The mutual coverage on the plant was \$202,000 and the loss was adusted at 84 percent.

Davis General Chairman

John A. Diemand, executive vice-president Indemnity of North America, who is president of the Pennsylvania Insurance Federation, announces that A. J. Davis, vice-president and director of the Provident Mutual Life, will be general chairman of arrangements for 1940 Pennsylvania Insurance Days to be held June 4-5 at the Bellevue Stratford Hotel, Philadelphia.

N. Y. Federation Campaign

The New York Insurance Federation has appointed a committee to organize a state-wide membership drive. May was selected as the definite time for the campaign. The committee consists of H. H. Wadsworth of Syracuse; J. R. Thompson of America; R. S. Choate and J. R. Garrett of New York City. Mr. Wadsworth is chairman.

The first meeting of the planning committee was held in Albany and an enlarged committee being appointed will meet in New York City, Feb. 27.

Clover Heads Syracuse Agency

H. T. Clover has been elected president of the Beach, Clover & Newhall agency, Syracuse, N. Y. He has been vice-president. He was formerly with the Travelers. Eugene A. Beach who died last year, was president of the agency, and the position had not been filled until the annual meeting.

MARINE

Marine Insurance Featured by Ross

The Detroit Insurance Women's League at the February meeting under chairmanship of Madge Wilt, North British & Mercantile, featured William Ross of Appleton & Cox as speaker on "Origin of Marine Insurance."

"The insuring clause in the present day marine policy is practically identical as it was written 300 years ago," he said. "It includes perils of the sea, which is damage by wind, waves and collision and fire at sea. Jettison covers goods or parts of the ship thrown overboard. People may not think the piracy clause still in the policy is necessary but in 1939 there were several cases of piracy by submarines, so most assured are insisting that this clause be included in the policy. In current policies war risk is excepted."

"The first marine insurance was designed to cover from port to port but, as manufacturers moved inland, the policy was extended to cover from shippers' warehouses to consignees' warehouses. Later it was extended to cover all property that might be carried on land or sea. It is held that if it moves it comes under marine insurance."

Yacht Insurance

Mr. Ross talked briefly on yacht insurance. "There are four classes of boats and each class is covered only while it is in its proper territory," he said. "On the larger vessels, you can secure coverage all over the world but on smaller cruisers coverage can be obtained only for lake and river traffic. The coverage on yachts is usually called P. and I. or protection and indemnity. It is like B. I. and P. D. on automobiles and is of vital importance to yacht owners. The yachtman is required to carry longshoremen's compensation on his employees who work on the boat."

An interesting statement by Mr. Ross was as to the loss ratio since the start of the present war. There has been \$2,000,000 paid in premiums and \$2,225,000 paid out in claims. The greatest risk in this war is not from submarines but from floating mines. Since the scuttling of the Graf Spee the war risk rates have been reduced. During the last war every company made its own rate for war risk, he said, but in this war the rates come through the American Exchange War Risk pool. The premiums are pooled and drawn out proportionately.

Coast Marine Board Elects

SAN FRANCISCO—F. L. Barry of Parrott & Co., has been elected president of the Board of Marine Underwriters of San Francisco and George Jordan, Fireman's Fund, vice-president. Directors elected are E. L. Barry, George Jordan, F. B. Galbreath, Marine Office of America; E. T. King, Rathbone, King & Seeley; S. A. Livingston, Mathews & Livingston; H. J. McCauley, North America, and Herriot Small, Balfour-Guthrie.

Des Moines—Jester & Sons have purchased the insurance department of the R. D. Edwards Co.

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